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on the Currency in Trade
with the corn Trade





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A
SECOND LETTER
TO
LORD GRENVILLE,
BY
THOMAS TOOKE, Esq., F.R.S.



ON
THE CURRENCY
IN CONNEXION WITH THE
CORN TRADE;
AND ON
THE CORN LAWS.

TO WHICH IS ADDED,
A POSTSCRIPT
ON THE
PRESENT COMMERCIAL STAGNATION.

SECOND EDITION.

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LETTER,

&c.

MY LORD,

THE object of a former letter which I addressed to your Lordship, was to show that Mr. Peel's bill had been without effect upon prices, inasmuch as it had been without effect on the amount of the circulation. This was my argument *à priori*. But it will be in your Lordship's recollection, that, in that letter, I expressed my intention of endeavouring in a subsequent publication to prove the same proposition by a different process, *viz.*, by shewing that, granting for the sake of argument that a contraction of the circulation with a view to the resumption of cash payments did take place to the extent contended for, it did not occur in such order of time as to justify the assignment of such contraction, as the originating or moving cause of the fall of prices, even supposing that there were no other adequate causes to account for it: but that the fall of prices *does* admit of being explained by circumstances affecting the supply of commodities

relatively to the demand for them, independently of any alteration in the amount of the Bank circulation.

In the developement of this proposition, I shall confine myself, in a great measure, to the variations in the price of wheat, in connexion with the state of the circulation, and refer only incidentally to the prices of other productions. This course is suggested by the consideration, that in all the speeches and publications on the subject of the currency, wheat is the article mainly insisted upon, as furnishing, by its elevation during the restriction, and by its fall since the resumption of cash payments, a proof, that the effects of those measures upon the value of the currency were much beyond the degree indicated by the difference between paper and gold.

And I am the more readily induced thus to confine the discussion, seeing that a particular investigation of the causes which have affected the prices of articles other than corn, would embrace too wide a field, and lead to details of inconvenient length. Besides, that I have already given a full and, as I conceive, a satisfactory explanation of those causes in a former publication (*High and Low Prices*), the repetition of any part of which, if not absolutely essential, would be unpardonably tedious.

The substance indeed of the explanation which I am about to give, of the circumstances that have produced the variations in the price of wheat, as far down at least as the year 1823, is contained in the

work to which I have alluded ; but I have been enabled to bring forward some fresh proofs and illustrations in support of my conclusions ; and I have put the whole into a shape more immediately bearing on the present state of the controversy on the subject. I may add too, as a further reason in favour of my present plan, that the facts which I shall have occasion to bring forward, in proof of the influence of the seasons and of the corn laws, on the price of wheat, may, by analogy, serve to throw no inconsiderable degree of fresh light on the actual state and prospects of the corn trade.

The ultra partisans of the theory of depreciation, in ascribing, as they do, the fall of the prices of wheat to the resumption, or to preparations for the resumption, of cash payments, refer, as a part of their argument, to the high prices during the Bank restriction, as having been produced by that measure. It is obviously necessary, therefore, to investigate the circumstances which were connected with the elevation of prices, during the whole of that period, in order to judge how far the variations in the amount of the Bank circulation occurred in such order of time, with respect to the variations in the prices of wheat, as to justify the supposition of the relation of cause and effect ; and how far other circumstances, distinct from the state of the circulation, operated in producing that elevation, and the subsequent fall. But the degree of the elevation of prices during the restriction ought to be considered

with some reference to the period immediately preceding, as well as to that succeeding the Bank restriction; and as the great disturbing causes to which I ascribe the high range of prices during the close of the last, and the early part of the present century, came into operation immediately after 1793, I propose to date from that year the historical sketch, which I am about to give, of the variations of the price of wheat, and the causes of them, down to the present time.

This sketch I shall divide into three periods:—First, from the close of 1793 to the close of 1813:—Second, from the close of 1813 to the close of 1822:—Third, from the close of 1822 to the present time. And as, in this last period, the corn laws came into distinct operation as disturbing causes in the fluctuation of prices, I shall devote a concluding section to a short notice of the effects of the different corn laws, and of the infraction of those laws from 1815 down to the present time, considered as measures of public policy.

SECTION I.

Historical Sketch of the Variations of the Price of Wheat, and of the Causes which produced them, from the close of 1793, down to the Present Time.

First Period—from the close of 1793 to the close of 1813.

WITH a view to judge how far the alterations in the amount of the Bank issues occurred in such order of time, relatively to the variations of prices, as to afford a *primâ facie* presumption of the relation of cause and effect, I give a statement, containing the amount of the Bank issues for a series of years, in juxta-position with the prices of wheat at the periods immediately succeeding such issues. In the statements which have hitherto been made, of variations in the prices of wheat, in connexion with the question of the value of the currency, it has been usual to take either the average price of the twelve months ending in December of each year, or the medium between the Lady-day and Michaelmas Windsor prices, as collected from the Eton tables. This mode, however it may answer the purpose of comparison between periods of some length, is not at all calculated to give an adequate

idea of the degree of the variations, or of the causes which have given rise to them in short intervals ; and, in some instances, the inference, as derived from particular years, may be the reverse of the truth. Thus, the average price for the whole of the year 1801 appears, in all the statements, to be higher than that of the year 1800 ; and the inference obvious to persons cursorily looking into the yearly average prices, must be, that the harvest of 1801 was deficient, the average price for the year being higher than any in the tables ; whereas, in point of fact, the harvest was abundant, and the price, in consequence, fell, by the close of that year, upwards of 50 per cent., compared with the price in the spring. Thus, likewise, the average price for 1805 is higher than that for 1804, although the harvest of 1804 was greatly deficient, and that of 1805 an average.

In order to obviate this objection, I give, in my statement, the Eton prices for Lady-day and Michaelmas, and the Gazette average prices for April and October in each year, in juxtaposition with the amount of bank notes. And as I shall have occasion, in the course of my arguments, to refer to the extreme points of the fluctuation of prices, the highest and lowest quotations of the monthly average in each year are also inserted. At the same time, in order to avoid the possibility of the imputation of presenting a partial view of the fluctuations, I insert

in the Appendix, a Table of the average price in England and Wales, for every month of the whole series of years which the statement comprises.

The amount of the Bank issues and the prices are not brought down below 1820 ; because, after that time, the substitution of sovereigns for the one pound Bank of England notes, prevents any accurate comparison of the variations in the total amount. But I have in my former letter shewn, that the amount of the Bank issues, paper and sovereigns together, was considerably increased after 1820 ; and the argument which refers the variations in the prices of wheat to variations in the amount of Bank issues after 1820, will be separately examined.

Years.	Amount of Bank Notes in Circulation.	Prices of Wheat per Quarter, Winchester Measure, Eton Col- lege.	Average Price of Wheat per Quarter, Win- chester Mea- sure, in Eng- land & Wales.	Highest.	Lowest.
		<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
1793	Feb. 26 11,428,381	Lady-day 51 1	April 49 9	} May 51 5	} Feb. 46 10
	Aug. 26 10,838,214	Mic.mas 45 0 ³	Oct. 47 0		
1794	Feb. 26 10,697,924	Lady-day 52 0	April 51 2	} Dec. 55 0	} Jan. 50 1
	Aug. 26 10,628,220	Mic.mas 56 0	Oct. 51 0		
1795	Feb. 26 13,539,163	Lady-day 71 0	April 62 1	} Aug. 108 4	} Jan. 56 8
	Aug. 26 11,458,382	Mic.mas 92 0	Oct. 76 9		
1796	Feb. 26 10,909,694	Lady-day 96 0	April 86 8	} Mar. 100 0	} Dec. 57 3
	Aug. 26 9,531,335	Mic.mas 64 6	Oct. 61 3		
1797	Feb. 25 8,601,964	Lady-day 70 0	April 49 9	} Oct. 60 2	} { Mar.& } 49 8 { May }
	Aug. 26 10,568,216	Mic.mas 54 0	Oct. 60 2		
1798	Feb. 26 12,850,085	Lady-day 54 0	April 51 7	} May 51 10	} Nov. 47 11
	Aug. 25 12,191,025	Mic.mas 54 0	Oct. 48 7		
1799	Feb. 26 12,636,145	Lady-day 58 8	April 53 5	} Dec. 93 10	} Jan. 49 5
	Aug. 26 13,259,873	Mic.mas 92 8	Oct. 83 6		
1800	Feb. 25 15,236,676	Lady-day 126 0	April 111 11	} July 134 10	} Jan. 94 8
	Aug. 26 14,735,378	Mic.mas 128 0	Oct. 106 6		
1801	Feb. 26 16,577,514	Lady-day 177 0	April 151 9	} Mar. 154 4	} Nov. 71 1
	Aug. 26 14,970,321	Mic.mas 80 0	Oct. 77 5		
1802	Feb. 26 15,458,876	Lady-day 68 0	April 69 9	} Jan. 76 5	} Dec. 57 10
	Aug. 26 16,887,113	Mic.mas 66 0	Oct. 61 10		
1803	Feb. 26 15,576,932	Lady-day 60 0	April 56 7	} June 61 6	} Dec. 53 6
	Aug. 26 17,935,959	Mic.mas 60 0	Oct. 54 2		
1804	Feb. 25 17,577,352	Lady-day 59 0	April 51 1	} Dec. 85 7	} Mar. 50 0
	Aug. 25 17,323,994	Mic.mas 80 0	Oct. 68 1		
1805	Feb. 26 17,231,466	Lady-day 88 0	April 91 5	} Aug. 98 4	} Dec. 76 0
	Aug. 26 16,296,178	Mic.mas 88 0	Oct. 81 10		
1806	Feb. 25 17,148,446	Lady-day 80 0	April 77 0	} May 84 4	} Mar. 74 5
	Aug. 26 17,072,893	Mic.mas 86 0	Oct. 79 2		
1807	Feb. 26 17,205,314	Lady-day 88 0	April 76 8	} Jan. 76 10	} Nov. 66 0
	Aug. 26 17,034,112	Mic.mas 68 0	Oct. 68 6		
1808	Feb. 26 16,843,054	Lady-day 74 6	April 71 0	} Nov. 92 0	} Jan. 69 2
	Aug. 26 17,365,266	Mic.mas 96 0	Oct. 86 7		
1809	Feb. 25 18,014,677	Lady-day 100 0	April 93 3	} Oct. 105 6	} July 86 10
	Aug. 26 19,357,241	Mic.mas 112 0	Oct. 105 6		
1810	Feb. 26 20,429,281	Lady-day 120 0	April 105 2	} Aug. 116 0	} Dec. 97 1
	Aug. 25 24,446,175	Mic.mas 104 0	Oct. 101 10		
1811	Feb. 26 23,381,833	Lady-day 104 0	April 89 0	} Dec. 106 8	} { Ju.& } 87 2 { July }
	Aug. 26 23,793,115	Mic.mas 112 0	Oct. 100 0		
1812	Feb. 26 22,998,197	Lady-day 136 0	April 125 5	} Aug. 152 3	} Feb. 105 2
	Aug. 26 23,482,910	Mic.mas 120 0	Oct. 152 3		
1813	Feb. 26 23,307,471	Lady-day 136 0	April 120 10	} Mar. 121 9	} Dec. 74 11
	Aug. 26 24,024,869	Mic.mas 104 0	Oct. 93 11		
1814	Feb. 26 25,095,415	Lady-day 86 0	April 75 8	} Sept. 78 6	} July 68 4
	Aug. 26 28,979,876	Mic.mas 81 0	Oct. 75 4		
1815	Feb. 25 26,673,370	Lady-day 80 0	April 70 1	} May 70 4	} Dec. 55 7
	Aug. 26 27,024,049	Mic.mas 72 0	Oct. 57 9		
1816	Feb. 26 25,689,069	Lady-day 72 0	April 60 2	} Dec. 103 7	} Jan. 52 10
	Aug. 26 27,075,854	Mic.mas 92 0	Oct. 90 2		
1817	Feb. 26 27,058,578	Lady-day 132 0	April 103 7	} June 112 8	} Oct. 77 5
	Aug. 26 30,099,908	Mic.mas 100 0	Oct. 77 5		
1818	Feb. 26 28,279,043	Lady-day 104 0	April 89 8	} April 89 8	} Dec. 80 8
	Aug. 26 26,602,837	Mic.mas 92 0	Oct. 81 10		
1819	Feb. 26 25,246,707	Lady-day 80 0	April 75 10	} Feb. 80 0	} Dec. 66 3
	Aug. 26 25,657,610	Mic.mas 76 0	Oct. 66 10		
1820	Feb. 26 23,569,660	Lady-day 80 0	April 69 4	} Aug. 72 5	} Dec. 51 6
	Aug. 26 24,453,388	Mic.mas 72 0	Oct. 58 9		

The discrepancies in this statement, between the variations of the issues, and the variations of prices, are too glaring to require to be pointed out. I shall, therefore, only refer to them incidentally, when describing, as I shall proceed to do, the real causes of the variations of prices.

The dearths arising out of the deficient harvests of 1794 and 1795 having already been described in my work on High and Low Prices, I shall here notice them with reference only to the state of the circulation.

The deficiency of 1794 not having been ascertained, or even suspected* to be so great as it eventually proved to be, the price did not rise sensibly in the autumn of that year, nor in the winter following, the average for February, 1795, being only 58s., notwithstanding that, in the six months from August, 1794, to February, 1795, an addition had been made to the bank circulation, of nearly three millions. The great rise in 1795 took place between March and August, *viz.*, from 60s., the average of the

* In the 'Annals of Agriculture,' Arthur Young, writing in April, 1795, thus describes the years 1793 and 1794:—"The summer of 1793 was a very dry one, in which, though the wheat was moderate, the spring crops generally proved deficient. In the last summer, 1794, the wheat turned out, very *unexpectedly* to many growers, a failing produce; the drought in many parts of England parched the spring corn to that degree, that I believe the leguminous crops have scarcely returned even the seed committed to the ground for them."—Of the seasons of 1794 and 1795, there is a very full account in a fragment, of what was intended to be a larger work, under the title of 'Thoughts and Details on Scarcity,' by Mr. BURKE, written in November, 1795.

former month, to 108s., the average for August. This rise was the combined effect of the exhaustion of the old stock, and of alarm at the unpromising aspect of the coming harvest. And it occurred coincidently with a reduction of two millions of bank notes, the amount in August, 1795, having been reduced to what it was in April, 1793, when the average price of wheat was 50s.

The weather, soon after the commencement of harvest in 1795, having turned out fine, the price of wheat declined to 76s. 9d., but it rose again in March, 1796, to 100s., contemporaneously with a further reduction of bank notes to the extent of 500,000*l.*; leaving the amount of the circulation below the average of the preceding five years. During the whole of this high range of prices, which extended to many articles besides corn, there was an extraordinary scarcity of money (according to the language of the money-market), the Bank of England having, at the commencement of 1795, issued a notice of its determination to reduce the scale of its discounts; and it did, in point of fact, limit its accommodation upon mercantile bills, to an amount much below the applications for it through the usual channels.

After the spring of 1796, the prospect of the coming crops being favourable, and a large and early importation being in progress, in consequence, not only of the high price, but of a large bounty paid by

government, the price fell rapidly, having declined to 49*s.* 8*d.* by March, 1797. In consequence of wet weather, which prevailed at harvest, the price rose, in September and October of that year, to 58*s.* and 60*s.* But the produce was considered an average, and there was an importation, to the extent of near 500,000 quarters. The price, therefore, again declined, and reached its lowest point in November, 1798, the average for that month being 47*s.* 11*d.* Thus, there was a fall of upwards of 60 per cent. compared with August, 1795, and of 50 per cent. compared with March, 1796, coincidently with an increase of bank-notes compared with either of those dates ; and a complete subsidence to the same price as that of 1793, from which it had risen in consequence of the deficient harvests of 1794 and 95.

The season of 1799 bore the nearest resemblance, of any within my recollection, to that of 1816. The same cold, harsh, backward spring—the rain setting in about the middle or latter end of June, and continuing, with little intermission, accompanied by high winds and a low temperature, till the close of the year. In both years, the harvest was protracted, in the north of England, and in Scotland, till December and even January ; and the rise of price, in both instances, commenced early in the spring, in consequence of the unfavourable appearance of the weather. In both cases, the rise in this country was preceded by indications of scarcity on the continent ; the seasons immediately previous, namely, 1798

and 1815, not having been so favourable abroad, as here. Nothing, indeed, can more decidedly prove the existence of a scarcity on the continent in 1799, than the circumstance, that, although the ports of this country were open, and the prices so high, the quantity of wheat imported, in the whole of that year, did not reach 500,000 quarters. When the rise of prices commenced in 1799, the paper of the Bank was below what it had been in February, 1798. The further rise, which continued, in consequence of the harvest of 1800 likewise proving to be deficient, till the spring of 1801*, when it reached a higher point than it had ever before or has since attained, namely, 177s. by the Eton tables, and 154s., the average for the month of March, was accompanied by an increase of the Bank issues. But this coincident

* For a description of the seasons of 1799 and 1800, see High and Low Prices, page 264.

I have had occasion to remark, in the work here referred to, that there prevailed, during the seasons of dearth in this country, in the interval which has just passed under review, a coincident scarcity on the continent of Europe. And I now subjoin an extract from Mr. Jacob's valuable report of March, 1826, page 51, stating the manner in which the competition of France in the demand for foreign corn, was calculated to raise the price:—"During the ten years from 1791 to 1801, there was a constant demand in France for foreign corn; several deficient harvests had been experienced at the beginning of the Revolution. The agents of France were employed, both in Europe and America, in purchasing corn, and hiring neutral vessels to convey it to France; paying but little regard to the price they gave for it, or to the rate of freight at which it could be transported. Holland, which scarcely has ever grown corn sufficient for its own consumption, felt a great want, owing to its internal sources of supply from Germany and Flanders being diverted from the usual channels by the circumstances of the war."

increase cannot be supposed to have had any material influence in extending the rise ; seeing that, under opposite circumstances, a further increase of issues did not prevent a fall to the lowest level from whence the previous rise had taken place.

In the spring of 1804, the Bank circulation being then one million beyond the highest amount at which it stood in the spring of 1801, the price had (after three seasons of average produce) subsided completely to the level from which the great scarcities of 1799 and 1800 had raised it. No instance, in the whole period under discussion, from 1793 to the present time, nor indeed any, in the whole course of last century, exhibits so great a fall, within the same space, as that which occurred between March, 1801, and March, 1804 ; namely, from 155*s.* to 50*s.* This fall, be it observed, took place concurrently with a considerable enlargement of the Bank circulation, compared with the amount at which it stood, when the price had reached its greatest elevation.

It is most important, with a view to appreciate the doctrine which infers variations in the value of the currency, from variations in the price of wheat, to bear in mind the complete subsidence of the price in this instance, as also in 1798, upon the cessation of the great and palpable disturbing causes which had produced the intermediate elevation since 1793. Four years of great and almost

unparalleled scarcity, from bad seasons, occurring at a period when there were great obstructions to importation,* entailing a rise of from 1 to 200 per cent., and occurring within so short a space as ten years, necessarily imparted a high average to the whole of those ten years ; whereas, in the ten years preceding, there was not a single year of decided scarcity in this country.†

If the harvest of 1804 had proved moderately productive, and still more if it had been abundant, a continuance of low averages in the interval between 1801 and 1808, would very materially have

* Not only were the freights and insurances on wheat higher by an amount equal to 5s. per quarter, than in time of peace, but a duty of 10s. per quarter on exportation was imposed in 1800, by the Prussian Government.

† It may further be observed here, incidentally, that the complete subsidence of prices in 1798 and 1804, upon the cessation of the disturbing causes, equally negatives the theory, which ascribes the high average to increased demand arising out of a war expenditure defrayed by loans.

The Committee of the House of Commons, to whom the petitions of the distressed agriculturists in the spring of 1804 were referred, not having any theory of "preparations for cash payments," or of "transition from war to peace," by which to account for the fall of prices, or for their former elevation, give the following account of the rise and fall of prices between 1791 and 1804 :—

"It appears to your Committee, that the price of corn from 1791 to the harvest of 1803, has been very irregular ; but, upon an average, increased in a great degree by the years of scarcity, has in general yielded a fair profit to the grower. The casual high prices, however, have had the effect of stimulating industry, and bringing into cultivation large tracts of waste land, which, combined with the two last productive seasons and other causes, have occasioned such a depression in the value of grain, as, it is feared, will greatly tend to the discouragement of agriculture, unless maintained by the support of parliament."

modified the character of all the reasonings upon the effects of the Bank restriction, on the price of corn. But the crops of 1804, contrary to the expectations entertained just before the commencement of harvest, turned out to be very deficient.

The occurrence of this year of deficiency, between two periods, of only three seasons each, of moderate produce, immediately preceding and succeeding, is an essential feature in the position which, in a former work, I endeavoured to establish, in accounting for the high average price of corn during the war and the restriction; namely, that there were not four seasons in succession, without the occurrence of one harvest or more of decided deficiency. So that, no sooner had the influence of the preceding deficiency ceased to operate, and the price consequently subsided to the level from which it had been greatly raised, by the accidents of the season, combined with political obstructions to importation, than a fresh disturbing cause came immediately into operation.

In proportion to its importance in this point of view, is the anxiety, on the part of those who refer all the phenomena of high prices to the restriction, and none to the accidents of the seasons, to represent the produce of 1804 as having been sufficient, if not abundant. Sir James Graham, in his tract on Corn and Currency, after giving a table, containing the amount of Bank notes in cir-

culatation, in juxtaposition with the average prices of wheat for each year from 1792 to 1809, adds: "From the comparison of the issues of the Bank with the correspondent average of the price of wheat throughout this long series, it will appear that an increase of issues has, with *wonderful precision*, created a rise of price—not always in the same year, but more generally in the one immediately succeeding; and a decrease of the issue has produced, in like manner, a correlative decline. The effect of increase is illustrated by the years 1803, 1804, and 1805, in which the harvests were good and the produce abundant; (*vide* Joplin on Currency, Appendix, No. 14,) and in which the rise of price cannot therefore be attributed to a deficiency of supply."

How it can appear, from the Table which the Author exhibits, that "an increase of issue has, with wonderful precision, created a rise of price," and that a "decrease of issue has produced a correlative decline," it would certainly puzzle any other than a bigoted partisan of a theory to discover: for, instead of such uniformity of precession in order of time, as to justify the inference of a connexion between the variations of Bank notes, and those of the price of wheat, even supposing that there were no other sufficient causes, the instances of discrepancy are actually more numerous than those of coincidence. But a graver charge than that of mere absurdity of inference

applies to the assertion, that “the harvest of 1801 was good and the produce abundant.”

If there was no authority for a statement leading to such important inferences, it ought not to have been hazarded, for the mere purpose of supporting a theory. But an authority is quoted, and it will hardly be credited, yet such is the fact, that the following is the description of the produce of the harvest of 1804, by the very authority which he quotes ; (namely, Appendix, No. 14, of Joplin on Currency, containing an abstract from the Farmer’s Magazine of the state of the crops from 1800 to 1824 inclusive.) “1804—In Scotland, wheat an average crop, but of inferior quality. In England, *a very short crop*, and the quality very inferior.”

Indeed, the deficiency of that crop was so decided that, notwithstanding an importation of nearly 400,000 quarters, the *average* price, which had been as low as 50s., in March 1804, reached 84s. by the close of that year, and rose further to 93s. in March, and to 98s. in August 1805, (the harvest of 1805 having been backward and uncertain as to produce.)* When the crop of 1805 was ascertained to be an average, the price fell, by December following, to 76s.

* This rise of 100 per cent. in the price of wheat was accompanied by a small reduction of the amount of Bank notes. And it is deserving of particular remark, that this rise took place, notwithstanding a repayment by Government of 5,500,000*l.* to the Bank, and notwithstanding an increase of the Bank treasure to more than one half of the amount of its outstanding notes.

The assertion of abundance, as applied to the harvest of 1804, is not confined to Sir James Graham. In a publication ascribed to Mr. Attwood, entitled “A Letter to Lord Archibald Hamilton, 1823,” page 15, the writer, in contradiction of a statement of mine, expressly says, “1804 was not a year in which the harvest was deficient, it was rather a year of plenty.” And it happens whimsically enough, that Mr. Joplin, (in order to prove his theory, that the variations in the price of corn are owing more to variations of demand than of supply,) in the text of the pamphlet, from the Appendix to which the above quotation is made, has the following passage:—“In the years 1804 and 1805 wheat rose from 50*s.* to 100*s.* without any scarcity at all.”

The fact of the deficiency of the harvest of 1804 is attested by evidence which leaves no room for doubt*.

The forty-third volume of the *Annals of Agriculture*, edited by the late Arthur Young, is nearly filled with answers from persons in different parts of the country, to whom circulars had been addressed, by order of the Board of Agriculture, containing enquiries as to the nature and causes of the failure of the wheat crop, and as to the extent of the deficiency.

* See evidence before the Committee of the House of Commons, appointed in the Session of 1805, to enquire into the causes of the high price of corn.

The cause of failure seems to have been an extensive prevalence of blight and mildew; and nearly all the answers concur in stating a deficiency of from one-quarter to one-third in England and Wales, while in Scotland, to which the cause of injury had extended only partially, there was an average produce.

The Farmer's Magazine, vols. v. and vi., contains statements in great detail, relative to that harvest, and the effect of it upon prices; and as the description there given of the season of 1804-5 bears several points of resemblance to that of 1828-9, I insert in the Appendix some particulars relating to it, extracted from that work.

On the continent of Europe, the prices of corn rose considerably in 1804-5, and in Germany and Spain, there appears to have been an approach to famine in those years*. And as the rise in this country in 1804-5 was not immediately preceded by any increased issue of Bank paper, so neither could the rise on the continent have been produced by the transmission of the metals from this country: for it will be seen, by the Table published

* The Monthly Magazine, in its commercial report for July 1805, has the following passages:—

“The prices of grain which have been for some months high and advancing in all the countries of Europe, have lately had some abatement in Spain. In the late general rise of the price of grain in Germany, the bushel of wheat, that had been usually sold in Saxony for a dollar and a half, rose to ten dollars. In Lausitz, the price became as high as fifteen dollars a bushel. In Brunswick, rye had advanced to between two and three dollars a bushel. Owing to the scarcity and dearness of provisions, the last great fair at Vienna was ill attended. Goods either went at very low prices, or remained unsold.”

in my last Letter, that there was a considerable influx of the metals into the coffers of the Bank of England, in 1804; and that, although the price of gold was kept at 4*l.* by the purchases of the Bank, the price of silver had fallen to 5*s.*

The harvests of 1805-6 were of doubtful produce; but assuming that they were not decidedly below, as they were certainly not above an average, they appear to have been insufficient to re-establish any considerable surplus. At the same time, the Milan and Berlin decrees, and the extending influence of France, were calculated to diminish the sources, and to increase the expenses of importation. It was natural, therefore, that prices should, whatever might be the produce of our own crops, maintain a higher range than they otherwise would have done.

The harvest of 1807 was deficient in general produce. In England and Wales, the wheat crop was considered an average, but in Scotland it was deficient. All other grain and pulse were universally below an average, as may be inferred (independently of the direct statements to that effect in the Farmer's Magazine for that year) from the very high prices which these bore, compared with the usual proportion to wheat, between that and the following harvest. Still the markets declined, after intermediate fluctuations, from 98*s.* in August 1805, to 66*s.*, in November 1807, being a fall of upwards of 30 per cent., the Bank circulation having in the mean time continued nearly uniform.

There is every reason, therefore, to suppose, that under ordinary circumstances, and with an ordinary produce in 1807, the subsidence to the level from whence the rise in 1804 took place, would have been complete.

But the harvest of 1807 was, as has been just observed, partially deficient, and the seasons of 1808, 9, 10 and 11, were each of them decidedly so, and especially in the produce of wheat. A summary of the state of the crops in these five seasons, may be collected from the following extracts from the *Farmer's Magazine* *.

"1807.—The crops generally of little bulk. Wheat in some districts equal to an average, but in others suffered much from bad weather.

"1808.—A failure in the wheat crop this season in almost every district.

"1809.—Wheat in Scotland not superior in quantity, but much worse in quality than the average. In England generally inferior, perhaps to the extent of one-fourth below an average.

"1810.—Wheat, in almost every case, excellent in grain, but in many districts thin, and by no means an average.

"1811.—The wheat crop more or less a defective one in every district: it cannot be estimated at more than five-eighths of an average, but of good quality."

I have in a former work given a more detailed account of these seasons.

Now with reference to these seasons in connexion

* These are inserted in the Appendix, No. 14, to Joplin on the Currency, 1825, and have been referred to as authority not only by Mr. Joplin, but by Sir James Graham, in support of their respective theories, ludicrously enough, inasmuch as the facts thus recorded are not only not corroborative, but absolutely subversive of the theories in question, one of which refers every thing to variations of demand, and the other to variations of the currency, and both of them disregarding differences of supply.

with the currency, it may be observed, that the price of wheat began to rise in the spring of 1808, not only antecedently to any increase of the Bank issues, but coincidently with a reduction of them ; and that, before the close of the year, the price was nearly 50 per cent. higher, while the amount of Bank notes was increased by only 500,000*l.*, and had not yet reached the amount at which it had stood in 1804 : and as the exchanges were at or near par till the autumn of 1808, while the treasure of the Bank was very large, it is clear that this advance of price might, and in all probability would, equally have taken place, under a convertible state of the currency.

The further rise, which continued till the spring of 1810, was indeed accompanied by an addition of two millions of Bank notes. And as the exchanges had then fallen very much, this addition could not have been made, or, if made, must speedily have been withdrawn, if the paper had been convertible. Accordingly, if the restriction had not then existed, the price would not have been so high as it was, in the spring and summer of 1810, by the difference between paper and gold.

But if the rise of price had been earlier checked, the importation in 1810 would hardly have been so large* as it proved to be ; and the sub-

* The importation in 1810 amounted to no less than 1,500,000 quarters of wheat. The absorption of this quantity, without a greater fall of price from a level which was already high, before the harvest of

sequent fall between August 1810 and 1811, would in all probability not have been so great as it was. This fall, viz. from 116*s.*, the average for August 1810, to 87*s.* in August 1811, took place coincidently with an increase of the Bank circulation, to an extent of no less than four millions. Such a fall of price, in the face of so enlarged an issue of Bank paper, would be of itself sufficient to overturn the theory, which ascribes to changes in the currency, all the variations of prices*.

The fact of a fall of prices in 1810 being at variance with the theory in question, has indeed been denied by the advocates of that theory, with a degree of confidence which is equalled only by their ignorance†.

1811, when, by all the accounts, there appears to have been but a moderate stock on hand, proves, beyond all question, the deficiency of the produce of 1810. At the same time it is to be observed, that a considerable part of that importation went to supply the still greater deficiency of the produce of 1809.

* It may be said that the increase of Bank paper was not commensurate with the destruction of country paper and private credit which occurred at that time. True; but if without payments in cash, or preparations for them, and with a large increase of Bank paper, a revulsion of credit and a fall of prices may take place, to such an extent, what becomes of the supposition expressed or implied in all the declamations against the return to cash payments, that such effects are peculiar to that measure, or to the preparations for it?

† In Mr. Attwood's speech of June 1822, which has often been quoted as the best exposition of the grounds of fact and reasoning, upon which the theory here alluded to is founded, is the following passage:—

“The Right Honourable Secretary said, that I should tell him of the failure of the country banks in 1815 and 1816, and account by that for the fall in prices, and the rise in the value of money, which produced effects so disastrous at that time. I shall be guilty of no such

No fact can be better attested, than that the fall of prices of imported articles, other than corn, was greater in 1810 and 1811, than was ever before or has since been experienced. As regards corn, the price of wheat fell, as has just been seen, nearly thirty per cent. ; and the consequences of that fall were beginning to be felt in a great pressure of agricultural distress, a throwing up of leases, and claims for abatement of rent*, when a renewed rise in the price of corn, in consequence of the scarcity of 1811 and 1812, removed the cause of distress from the landed interest, while it inflicted very severe sufferings upon the manufacturing classes. But this renewed tendency to a rise of the price of wheat, which, in the spring and summer of 1812, reached a greater height than it had ever attained, except for a short time in the spring of 1801, was coincident with a reduction

absurdity ; I shall refer him to the year 1810, when nearly as great a proportion of the country bankers failed as in 1815 ; and when no fall of prices, or increase in the value of money, accompanied those failures."—*Hansard's Debates*, vol. xlviii. p. 989.

* " The market value of land continues to decline in most counties, a circumstance which cannot surprise any one, who reflects for a moment upon the extravagant and unprecedented height to which it mounted last year, and the present state of markets for farm produce. It is difficult to speak with precision concerning the fall of rent, as it has not been an easy matter to set land for several months past ; but it is evident that a great change has occurred in the public mind, with regard to the value of land, since Martinmas last. This is proved by the small number of offerers who appear for any farm that is to be set, by these offerers bidding downwards, rather than upwards, as formerly ; by the bankruptcy of many tenants ; and by the desire expressed by others to renounce farms recently entered to."—*See Farmer's Magazine*, June 1811, vol. xii. p. 266.

of no less than 1,500,000 of Bank notes, in February 1812, compared with August 1810.

The season of 1811 was as unproductive in France and on the rest of the continent of Europe, as in this country. There was consequently no relief to the dearth here, by an importation; and as a further proof, if such were wanting, that the high price of wheat in 1811 and 1812 was produced by scarcity, it is sufficient to observe, that *all produce which was not remarkably scarce by the seasons, or by obstruction to importation, was excessively depressed in price,** and that manufacturing wages were extremely low, compared with the price of food†.

* The bullion price of sugar and coffee, and of nearly all colonial produce, was lower in the interval between 1809 and 1812, than it is even at present. And it is to be considered, that the price then was subject to the deduction of war freights and insurances, leaving hardly any thing for proceeds against the original cost. The same remark applies to many other articles, which were not in a state of actual or apprehended scarcity.

† In a pamphlet, from which I have already made a quotation, entitled "A Letter to Lord Archibald Hamilton," (1823, Ridgway), in which are embodied all the arguments and statements contained in Mr. Attwood's speeches to that time, it is broadly asserted that they were years of abundance. After adverting to the years 1795 and 1800, and admitting them to have been years of real scarcity, the writer goes on to say, page 29, "Shortly afterwards ensued years, not of scarcity, but of abundance; years of increasing revenue and increasing prosperity among the poor, whilst they paid, year after year, prices for wheat of 87s. 9d., 95s. 7d., 106s. 2d., 94s. 6d., 125s. 5d., and 108s. 9d., which last five prices quoted are the average prices of five successive years, ending with 1813. No Committees sat in these years to consider 'of the high price of corn,' and 'of distress arising therefrom.' Those were not the prices of dear corn, but of cheap money; not of scarcity, but of abundance."

It is difficult to conceive ignorance more profound, or, if the plea of

Seeing that, of these five seasons, the first was partially deficient, and the four following decidedly

ignorance be disclaimed, perversion of the truth more reprehensible, than is exhibited in this passage.

Not content with describing the seasons as of a character the very reverse of what they were, what are we to say to the hardihood of assertion, that they were years of increasing revenue and increasing prosperity amongst the poor?

With regard to the assertion of an increasing revenue, it may be sufficient to observe, that the produce of the permanent taxes fell off in each of the years 1811 and 12; and it is well known that this circumstance, indicating the approach to the limits of the power of further taxation, induced the resort, in 1813, to an appropriation of the nominal sinking-fund for the interest on the further loans.

But, of all the other assertions, the most outrageous is that of the increasing prosperity among the poor. The agricultural labourers, indeed, might, in consequence of the prosperity of the landed interest during the greater part of that interval, not suffer the full effects of the dearth arising from those seasons. But the pressure of a high price of food, combined with the effects of the commercial revulsion of 1810, and the distressed state of the manufacturing interests, from that time to the re-opening of the continent in the autumn of 1812, bore with extraordinary severity on all the other working classes, whose sufferings led them, in many instances, to acts of violence. Indeed, the fact of the disturbed state of the manufacturing districts in 1812 may be placed beyond doubt, by a reference to the message from the Prince Regent to the House of Commons, June 27th, 1812, which was in the following terms:—"H. R. H. the Prince Regent, in the name and on the behalf of His Majesty, has given orders that there be laid before the House of Commons copies of the information that has been received relative to certain violent and dangerous proceedings which, in defiance of the laws, have taken place, and continue to be carried on, in several counties of England. H. R. H. confidently relies on the wisdom of Parliament," &c.

In further proof of the distressed state of the working classes at that time, it appears that the poor-rates which, in 1803, a period of low prices and agricultural distress, amounted to 5,348,204*l.*, had risen in 1812 and 1813 to 8,640,842*l.*, and it was stated in the House of Commons (Parliamentary Debates, vol. xxi. p. 1004), that a Committee, appointed at Liverpool to examine into the condition of the poor, reported, that there had been in one month, *viz.*, January 1812, an increase from 8000 to 15,350.

And

so*; seeing, moreover, that relief by importa-

And yet it is upon assumptions like these, of a state of things the very reverse of what actually occurred, that are founded the bombastic harangues in favour of a depreciation of the currency—harangues which are listened to with complacency by the country gentlemen, who are thus led to believe that a return to the restriction, or a debasement of the standard, would restore their former state of prosperity. Whereas the truth is, that their high rents were the effects of scarcity of corn, operating on the principle of a rise of price beyond the ratio of deficiency.

* Similar instances of a succession of deficient harvests during a number of years, raising the average of wheat, in the aggregate of those years, much above the average price of any period of the same length for a considerable time before or after, may be shewn by referring to the history of the corn-trade during the seventeenth and eighteenth centuries. The seven years from 1693 to 1699, still known in Scotland as the *seven bad* or *barren years*, were greatly deficient. I have, in a former work, given such particulars, as I could then collect, of this important fact in the history of the corn-trade; and I now take the opportunity of recording, by insertion in the Appendix, some further information which I have met with, respecting those seasons. The average price of wheat for these seven years was 55s. 9d., the average price for the preceding seven years having been 31s. 6d. And it may here be incidentally observed, that at that period wheat did not form the food of the bulk of the population in this country, rye and barley being more extensively used. A similar degree of deficiency, with a population so much more dense as it is at present, would naturally be attended with a much greater relative rise in the price of wheat. But even at that period, the difference between harvest and harvest, as marked by the Lady-day prices, is much greater than could be inferred from the yearly averages: thus, the price at Lady-day, 1691, was 29s., and at Lady-day, 1694, was 71s.

Of the inveterate tendency on the part of the persons to whom I have alluded, to refer every instance of relatively high average prices of wheat to the currency, there cannot be a stronger proof, than that the whole host of speakers in parliament on that side of the question, and Sir James Graham, in his tract on Corn and Currency, ascribe the rise of prices at the close of the seventeenth century, *exclusively* to the debasement of the coin. Now it so happens, that the rectification of the coin was completed in 1696, while the highest prices were those of the four years ending in 1699. And with respect to the period immediately preceding, there is every reason to suppose that the debasement was in a great measure, if not

tion was obtainable only in two of them, *viz.*, 1809

wholly, compensated by scarcity, as was the case with the silver coin immediately previous to 1816. The depression of the exchange prior to the recoinage in 1695-6, being accounted for by the large foreign expenditure. A similar, or even a greater, degree of scarcity is recorded to have occurred in France and other parts of the continent of Europe in the corresponding period. The Marquis Garnier has given, in his French translation of Smith's *Wealth of Nations*, the yearly prices of wheat in France for the whole series of years for which the quotations of the price in England are given in the original work. Garnier states, that he has bestowed great care in collecting these prices, which are reduced into the present coin and measure. From that work, vol. ii. p. 187, I have extracted the prices for the seven years 1693 to 1699, as likewise for the seven years preceding, in juxtaposition with the price in the Windsor market from the Eton Tables. And in order to judge of the effect of the cessation of scarcity, I have given the prices in France and England for the seven years from 1702 to 1708; by which it will appear, that the fall of price in the latter period, was greater than the fall in the seven years following Mr. Peel's bill compared with the seven years ending in 1813.

Further to prove the influence of a prevalence of years of scarcity, in raising the average price of periods of seven years compared with ordinary seasons, I give the prices both in England and France for the seven years from 1709 to 1715. The comparison of the prices in France being calculated to shew, by the coincidence of the fluctuations with those in this country, that they were produced by causes common to both, and not by any peculiarity in the state of our currency. Other instances might be accumulated, but they would be superfluous.

Prices in France per sept.			Average, per sept. per qr.				Prices in England from the Eton Tables, (see Appendix,) per qr.				Average, per. qr.		
<i>f.</i> <i>c.</i>			<i>f.</i> <i>c.</i>		<i>s.</i> <i>d.</i>		<i>s.</i> <i>d.</i>		<i>s.</i> <i>d.</i>		<i>s.</i> <i>d.</i>		
1686	—	19 0	16	91	=	25	3	1686	—	34	2½	31	2
1687	—	19 99						1687	—	31	8½		
1688	—	13 16						1688	—	23	1½		
1689	—	13 19						1689	—	26	8		
1690	—	15 51						1690	—	30	9¾		
1691	—	16 37						1691	—	29	11		
1692	—	21 14						1692	—	41	9¼		
1693	—	45 33	36	22	=	54	0	1693	—	60	1¾	55	9
1694	—	60 99						1694	—	56	10½		
1695	—	22 23						1695	—	47	1¼		
1696	—	22 88						1696	—	56	0		
1697	—	26 77						1697	—	53	4		
1698	—	33 52						1698	—	60	8¾		
1699	—	41 87						1699	—	56	0		

and 1810*, and that, on the condition of being subject to expenses of licence, freight, and insurance, amounting collectively to between 30s. and 50s. per quarter; while in 1811 and 1812, hardly any foreign supply at all could be obtained, there being an equal dearth on the continent of Europe, the wonder is, not that prices were so high, but that they were not considerably higher.

Of this, at least, I am persuaded, that were a succession of five such seasons to occur henceforward, (or indeed had such been the character of the last five seasons,) *subject to an equal difficulty and expense of obtaining a foreign supply*, or to a duty on importation, equivalent to the difference of freight and insurance at that time compared with the present, we should witness a range of prices as high

Prices in France per sept.		Average per sept. per qr.			Prices in England from the Eton Tables, (see Appendix,) per qr.		Average per qr.	
<i>f.</i>	<i>c.</i>	<i>f.</i>	<i>c.</i>	<i>s.</i> <i>d.</i>	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>
1702	— 18 52	14	73	= 22 3	1702	— 26 0 $\frac{3}{4}$	30	2
1703	— 17 44				1703	— 32 0		
1704	— 15 74				1704	— 41 2 $\frac{1}{4}$		
1705	— 14 81				1705	— 26 8		
1706	— 12 30				1706	— 23 1 $\frac{1}{4}$		
1707	— 10 86				1707	— 25 2		
1708	— 14 86				1708	— 36 8 $\frac{3}{4}$		
1709	— 55 0	36	07	= 53 10	1709	— 69 7 $\frac{1}{2}$	50	11
1710	— 50 0				1710	— 69 4		
1711	— 21 51				1711	— 48 0		
1712	— 25 74				1712	— 41 2		
1713	— 35 27				1713	— 45 4		
1714	— 40 62				1714	— 44 8 $\frac{3}{4}$		
1715	— 24 36				1715	— 38 2 $\frac{1}{2}$		

In the following seven years the price fell in both countries below the level from which it had risen in the seven years ending in 1715.

* The seasons of 1808 and 9 appear to have been favourable on the continent, while they were adverse here; and this circumstance accounts for the large importation of 1809 and 10, notwithstanding the enormous charges of freight and insurance to which they were subject.

as then prevailed, allowing only for the difference between paper and gold.

The highest elevation of prices was reached in August 1812, the average for the month being 152*s*. The old stock was then exhausted, or (what comes to the same thing in the temporary effect on prices) supposed to be exhausted; and great uncertainty prevailed as to the coming harvest, the weather for which was unpropitious. The result of this harvest was, by most persons, considered rather below, and certainly by none, above an average.

Thenceforward, however, notwithstanding that there was no prospect of any foreign supply worth mentioning, (there having been, as before observed, a failure of the crops on the continent in 1811, and the charges of importation being extravagantly high,) and that there was, at the same time, a constant demand, although on no large scale, for the export of corn to Portugal and Spain, and notwithstanding the opinion which then generally prevailed, that an average crop was insufficient for the consumption of an increased population, the price fell.

The fall, when the harvest of 1812 was ascertained not to be greatly deficient, was, in the first instance, considerable, namely, to 110*s*. in October; a rally to 122*s*. occurred in the following month, after which the price was tolerably steady, but slowly tending downwards till August 1813.

But as soon as the harvest of that year was secured, and found to be productive, at the same time that, from the liberation of the ports of the continent, there was the prospect of an increased foreign supply at reduced charges of importation, the decline became rapid, and by the close of the year, the average price fell to 75*s*.

Here then was a fall, nearly uninterrupted, from 146*s*. in July, and 152*s*. in August 1812, to 75*s*. in December 1813, being upwards of 50 per cent., coincidently with an increasing circulation of Bank paper, a considerable extension of country notes, and a great rise in the price of gold; coincidently, likewise, with an expenditure of government defrayed by loans, greater than any that had been incurred in the whole course of the war.

The comparison of the prices immediately preceding the harvest of 1812, and following that of 1813, and of the Bank circulation, will stand thus :

	Bank notes in circulation.
Aug. 1812 — 152 <i>s</i> .	23,482,910
Dec. 1813 — 75 <i>s</i> .	24,024,869*

* A similar fall occurred in France between 1812 and 1814 (namely, from 34*f*. 33*c*. the hectolitre to 17*f*. 73*c*.) as also on the continent of Europe generally. Now, according to the received theory, that the gold disengaged from this country diminished the value of the precious metals on the continent, and was the sole cause of the rise of prices there, during the restriction, how is this fall of the price between 1812 and 1814, in France and on the continent of Europe generally, to be accounted for consistently with such hypothesis; this fall of price having occurred when the stock of gold spared from this country, and added to the metallic circulation of the rest of the world, was precisely at its maximum?

A complete case is thus made out of the subsidence of the price of wheat, as an obvious and immediate consequence of the cessation of the scarcity, real or apprehended, arising from a succession of unproductive seasons, coincident with obstructions to importation*. And it is hardly possible to conceive a more direct negative of the assumed agency of the bank restriction (beyond the difference between paper and gold) in causing the previous elevation of prices, or of the preparation for cash payment in causing the fall from that elevated range†.

The fact of a great fall in the price of agricultural produce having preceded both the termination of

* The fall was not confined to corn: nearly all commodities which were not the object of speculation for export, fell considerably in 1813. And here it may be worth while to notice a misapprehension which prevails almost universally, that the rise of prices of other produce, as well as of corn, advanced progressively through the course of the war and the restriction. Indeed, it is of the very essence of the asserted depreciation, that it arose solely from the increase of money, and not from any scarcity of commodities; all commodities, therefore, should have experienced a nearly equally proportionate rise, allowing only for the difference of taxation; this, however, was very far from being the case. There were very few articles that had not seen their highest before the exchanges or the price of gold indicated any considerable depreciation, namely, before 1809; and the periods of the utmost elevation of many important commodities were very various. Thus, sugar, coffee, cotton, and colonial produce in general, reached, in 1798, a greater height than they ever afterwards attained, except in the short but violent speculation in 1814. Iron did not rise after 1803 till the speculative advance of 1818; copper rose in 1806 to 200*l.* per ton, which it never afterwards reached. Silk, wool, lead, timber, and most articles of Baltic produce, were at their highest prices in 1808-9.

† It equally negatives the influence of a war demand and the supposed effect of a transition from war to peace.

the war and any supposed preparation for cash payments, resting as it does on such incontrovertible evidence, it may appear strange that it should not have been more generally adverted to in the discussions to which the questions respecting the currency and the transitions from war to peace have given rise. The wonder will cease, however, when it is observed, that the customary mode of referring to the prices of corn, in treating of subjects connected with them, has been to take the average of the year, ending with December.

This mode involves the fallacy which has already been pointed out, and the advocates for debasement have availed themselves of it, for the purpose of conveying the impression, that the high price of corn continued till the return of peace, which induced preparations for cash payments. By the average of the twelve months ending in December 1813, the price appears to be 107*s.*, which makes that year the highest with the exception of two, *viz.*, 1801 and 1812, of any that has occurred in the annals of the corn trade. It has served, therefore, most admirably to make up, with the four preceding years of high prices, resulting, as I have shewn, from the accidents of the seasons combined with obstruction of foreign supplies, an average for the five years ending in 1813, of 107*s.* This, being about double of the average price before the restriction, has been brought forward as a criterion of the

degree of depreciation of the paper arising from the restriction.

Thus, Mr. Attwood in his speech in Parliament, in May 1822, says, “ when the question was, to determine what was the increased pressure of taxation upon agriculture occasioned by the change in the value of the currency ; the most proper commodities to determine the extent of that change were those in which agriculture was principally interested, corn and cattle. The price of corn during the last five years of the war, that period in which the last and the principal burthens of taxation had been imposed, was 107*s.* a quarter for the average of that five years. The price of wheat was now 53*s.* a quarter, and the price of cattle had fallen in an equal degree. The pressure of taxation upon agriculture, therefore, had been doubled *.”

It is evident from this extract, that Mr. Attwood had assumed that the years in question were not marked by a deficiency of produce sufficient to justify any part of the rise of price, as he ascribes the whole of the high average of the five years to the state of the currency.

* Hansard's Parliamentary Debates, vol. xlviii. p. 386.

Second Period.—From the close of 1813 to the close of 1822.

The great fall in the price of corn at the close of 1813, was followed in the summer of 1814 by a fall in the prices of colonial produce, and of other commodities, which had risen, by speculation, in the interval between the autumn of 1812, and the spring of 1814. The fall of prices accordingly by the close of 1814 had become general.

As a consequence of the fall in the price of corn, and of other articles, colonial produce excepted, in 1813, and the recoil of the speculations in exports in 1814, failures commenced in the summer and autumn of the latter year; and as the causes which had produced the fall of prices, *viz.*, the cessation of scarcity from the seasons, the removal of obstructions arising out of the war, and the inability of foreign consumers to pay the extravagant rates to which speculation had raised the price of exports from this country, continued unabated, further failures, resulting from engagements on credit entered into at high prices, were inevitable.

The season, moreover, of 1815, was very productive; and this, with the surplus remaining from 1813, occasioned a fall in the price of wheat to 52s. 10d., in January 1816. This further fall, accompanied, as it was, by a fall in the price of cattle, was ruinous to the farmer, whose rents had been raised in proportion to the prices consequent upon

the scarcity. Accordingly, the bankruptcies were multiplied through 1815, and into the early part of 1816. Not, as has been so repeatedly and confidently asserted, in consequence of a contraction of the circulation with a view to cash payments, but as a consequence of the great fall in the price of corn in 1813 and 1815, and of the recoil of the speculations in exports, between the close of 1812 and the spring of 1814*. The contraction of the country circulation and of general credit, between 1814 and 1816, was obviously the effect, and not the originating cause, of the fall of prices, and of the insolvencies, and of the agricultural and commercial distress which characterised that period.

But if Mr. Western, Mr. Attwood, Sir James Graham, and others of their school, have most egregiously misstated and perverted the order of time in which the fall of prices, and the contraction of the circulation, took place, in their account of the causes of the agricultural and commercial distress, which prevailed in 1815 and 1816, they have equally done

* See Mr. Western's letter to Lord Liverpool, May 1826:—"Can there be a doubt, I repeat, now, that the very first commencement of our difficulties, the first depression of agriculture and commerce in 1815 and 1816, were caused altogether by the contraction of the currency?" Mr. Western here quite forgets that, in his speech, March 1816, he states the distress of the farmers from a fall of price to have occurred in 1813 and 1814; and he accounts very justly for the fall of price. "The full effect," he says, "of all our improvements has just been completely realized; and two or three good harvests from this extended and improved agriculture, together with continued import, and demand reduced, have occasioned such a surplus in the market as very obviously accounts for the first depression of the price."

so, in their explanation of the rise of prices, and the renewed appearances of prosperity, in the interval from 1816 to 1819 *. They contend, as, in my former Letter, I had occasion to observe, that this rise of prices and consequent revival of agriculture and commerce, was *caused* by an enlargement of the circulation.

That a rise of prices should occasion a revival of agriculture and commerce, may be easily supposed; and there is no doubt that at the period alluded to, this was the main cause of the renewed appearances of prosperity. But it happens, unfortunately for the theory in question, that the first rise of prices was coincident with a reduced amount of the issues of the Bank, and with a very large repayment to it by Government, viz. in February 1816. The country circulation was then, too, in its most reduced state. In short, the rise of prices began from the very point of the greatest contraction of the circulation, which is supposed to have taken place for the express purpose of preparing for cash payments.

* Thus Mr. Attwood: "The experiment" (alluding to the alleged preparation for cash payments) "has been twice made. It was made in the year 1815 and 1816. It was the cause of all the calamities, never to be forgotten, which then befell this country. The fall of prices then experienced was its necessary consequence. It was abandoned at the commencement of 1816, by the administration alarmed by the consequences of its own measures. The debt, which had been repaid, was again advanced. The money which had been withdrawn, was again, and in haste, returned to the circulation. The standard of the war was again restored. The prices of the war accompanied it. The burthens of the country were seen to be no more than commensurate with its resources, all the difficulties of the people ceased, one universal scene of general prosperity was restored."—*Hansard's Parliamentary Debates*, vol. xlviii. p. 988.

The average price of wheat, which was 52s. for the month of January, rose to 56s. in March, and reached 76s. in May following. There was a trifling recession to 73s. in July, in consequence of an improvement in the appearance of the weather and the crops, but in August it rose further to 82s. The amount, however, of the Bank circulation in August 1816, was exactly the same as it had been in August 1815, viz. 27,000,000. Now, here, we have the price of wheat falling rapidly, and afterwards rising still more rapidly, with exactly the same amount of the Bank circulation; the country circulation being, at the same time, in the most reduced state. How, then, can the amount of the circulation be said to have been the cause, nay more, the sole cause of the fall in 1815, when, with rather a diminished circulation, the price rose so considerably in 1816?

But the extent of the discrepancy does not end here. The price of wheat rose progressively through 1816, and reached, in June 1817, an average of 112s. 8d., the amount of Bank notes, in circulation, being, at that precise time, rather under 26,500,000*. And,

* The amount of Bank notes in June, being the month before the issue of the quarterly dividend, is somewhat below the average for the six months, which,

From January to June 1817, was . . .	27,339,768.
Now the average amount from January to June 1815, was . . .	27,155,824

Making a difference of only . . .	185,000
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or about two-thirds per cent., while the price of wheat in the interval varied 100 per cent.

by a fatality which attends the hypothesis in question, it appears, on a reference to dates, that, at the very same period in 1817, which is fixed upon, for the proof of that hypothesis, when the great and sudden addition of three millions was made to the Bank circulation, viz. in August 1817, the amount being then 30,099,908, and when a considerable increase is supposed to have taken place in the issues of the country banks, a great decline took place in the price of wheat, viz. from 112*s.* 8*d.*, the average on the 28th June 1817, to 74*s.**, the average on the 27th September 1817, being a fall, within three months, of upwards of 30 per cent. Thus, there is not only a want of the assumed coincidence, affording the presumption of a relation in the nature of cause and effect, of an increase of Bank notes, and of the price of wheat, but absolutely an opposite tendency, a great increase of the one, and reduction of the other.

But, if the assumed causes had preceded, instead of following, as they did, the imputed effects, they could not legitimately be brought forward to account for the phenomena of prices, in cases where the variations admitted of full and distinct explanation, upon mercantile grounds of supply and demand, without reference to what might be the coincident variations of the amount of the circulation. Now the rise and fall in the price of wheat, (which has been

* Agricultural Report, page 382.

chosen as the standard for determining the variations in the value of the currency,) in the period last referred to, admit of an explanation by facts which are quite decisive.

It has already been seen, that the circumstances affecting the supply of wheat, relatively to the average rate of consumption of it, in this country, were such as fully to account for the variations of price. If, however, any confirmation of the position were wanting, it might be derived from the consideration, that the variations experienced here had their counterpart, but occurred in an aggravated degree, in France, and in other parts of the continent of Europe, as well as in this country.

The first rise, which took place early in 1816, (coincidentally with the most contracted state of the circulation,) was occasioned, in part, by accounts of advancing prices of corn, in France, Germany, and the south of Europe, and in part, by the unfavourable appearances, as the spring advanced, of the growing crops in this country. The season proved to be, throughout, of the most ungenial description. The extreme scarcity resulting from the unpropitiousness of that season, not only in this country, but in the greater part of Europe, is notorious, and quite sufficient to account for a great advance. The rise was progressive, with very trifling oscillations, till December, when the average price for that month reached 103s. The market was after-

wards heavy, and rather retrograded, till May 1817, when the demand for shipments to France, which had taken place to a small extent, for some months before, became considerable and urgent.

The French government, alarmed at the existing deficiency, but more especially at the threatening appearances of the coming crops, from the unpropitious state of the weather, not satisfied with declaring that the ports should continue open beyond the terms fixed by their corn laws, and with the offer of a bounty on importation for a limited time, gave orders for purchases of wheat in London, and of American flour in Liverpool, to a considerable extent. Large shipments of wheat were, in consequence, made from this country to France, in May 1817, both for account of the French government*, and on speculation by individuals†. This great de-

* The sum expended by the French government in purchase of wheat, and bounties on importation, in 1817, amounted to 70 millions of francs.

† The following statement, which I have from a channel that I can rely upon, of the weekly prices of wheat in the Paris market, shews how great and rapid was the advance in May, and the early part of June, and how great, consequently, must have been the alarm of the French government, at the prospect of increased scarcity.

1817.			per Septier.		per Qr.	
			<i>f.</i>	<i>c.</i>	<i>s.</i>	<i>d.</i>
January	1	-	52	0	-	77 7
February	5	-	57	0	-	84 9
March	5	-	55	50	-	82 10
April	2	-	57	0	-	84 9
—	23	-	60	0	-	89 7
May	14	-	63	0	-	93 10
—	21	-	66	0	-	98 6
—	28	-	75	0	-	112 0
June	4	-	82	0	-	122 5
—	11	-	92	0	-	137 6

mand for exportation, concurring as it did, with the unfavourable aspect of the growing crops in this country, raised the average price to the height which has just been noticed, in June 1817, before any addition had been made to the amount of the Bank issues, compared with the amount in the two years preceding.

In order to account for the rise of prices on the continent of Europe, when such rise has coincided with an advance of prices in this country, it has been usual with the class of reasoners, to whom I am referring, to assume, that while the rise here was caused wholly by an increased issue of paper, a corresponding effect on the prices of other countries was produced by the bullion which had been forced by the extra paper out of this country, and was thus added to the circulation of the rest of the world. Here, the facts are not only, however, not accordant with this theory, but they happen to be exactly opposite to it. Not only did the rise in the price of wheat, in this country, begin at the very time when the circulation was reduced to the lowest point, with a view, as it is alleged, to cash payments, but it was preceded and accompanied by an extraordinary influx of the metals into this country.

In fact, a rise in the price of corn began in Germany * and France in 1815, at the very time when the tide of the metals set into this country ; and the

* The following are the quotations of wheat at Vienna, Munich,

advance continued through 1816, and went beyond ours in the spring of 1817; while gold was still flowing largely into the coffers of the Bank. Indeed, our exports of corn to France, may be considered as having been directly paid for in gold. In no sense, therefore, can the rise in the price of wheat in 1816 and the early part of 1817, be ascribed to operations on the currency of this country. And as the rise of price on the continent of Europe preceded and went beyond ours till June 1817, so the fall began there, and considerably outran ours.

After the unpropitious weather, which prevailed until the second week in June, 1817, a most favourable change occurred, which dispelled the apprehensions that had been entertained for the growing crops in France as well as in this country; and the French government not only ceased to be a purchaser, but actually let out its reserve, and caused a very sudden and great reduction in the

and Stuttgart, extracted from Mr. Jacob's first Report, March 1826, Appendix No. 27 and 28, pp. 137, 143, and 145:—

	<i>s.</i>	<i>d.</i>
At VIENNA. — 1815, March 3, wheat	43	10 per quarter.
28,	53	4
Sept. 23,	63	9
1816, March 12,	75	2
Sept. 14,	116	10
1817, March 1,	114	1
At MUNICH. — 1816, March —,	57	9
Sept. —,	127	2
At STUTTGARD—1816, June —,	82	9
Sept. —,	127	1
1817, March —,	138	7

price. The cessation of the demand for export concurred with the favourable change of the weather in depressing the market of this country likewise ; but the decline here was not so rapid as it was in France and Germany*. And it is material to remark, that, as the rise in France and Germany went beyond that in this country in 1816-17, coincidently with an abstraction of the metals from the continent to this country, so the fall abroad, which preceded and went beyond the fall here in 1818-19, was coincident with a large efflux of bullion from hence to the continent.

Now it appears, therefore, that circumstances, common to this country with the greater part of the continent of Europe, but operating earlier and more powerfully there than here, raised prices to the height which they reached in 1817, and that, upon a change of those circumstances, prices abroad subsided more rapidly than they did in this country, and fell, at the close of 1819, to as low a level as that from which they had risen four years before : the metals, during that interval, having flowed into this country from the continent, coincidently with the rise, and having gone back, during the fall. Thus

* The fall in the Paris market, between June and September 1817, was very nearly 50 per cent., namely, from 92*f.* the septier, (137*s.* 6*d.* per Win. quarter) 11th June, to 48*f.* (71*s.* 9*d.*) 17th September. While in the London market, the fall, which *followed* that of Paris, was from 112*s.* 8*d.* in June, to 74*s.* 1*d.* in September ; and the average yearly price of the Paris market, which for 1817 was 87*s.*, declined, for the year 1819, to 39*s.* 10*d.*

proving, that it was not from circumstances peculiar to this country that the rise and fall here took place, and that it was not by any operation on the currency of this country that the prices abroad had been influenced.

Of the seasons of 1817, 1818, and 1819, and of the miscalculations upon them, and upon the operation of the Corn Laws as connected with them, I have elsewhere given an account *. I shall here only add, that the harvests of 1817 and 1818 appear to have been less productive in this country than they were on the continent, although, with us, they reached nearly, if not quite, an average. But, under the impression at the time that they were deficient, and that even an average produce was insufficient for our consumption, the price of wheat, after a depression to 74s., between June and November 1817, rose, (coincidentally with a reduction in the amount of the Bank circulation of about two millions,) by the close of the year, above 80s.† (opening the ports in February 1818, after being shut for three months,) and did not decline again below 80s. till January 1819, when the average

* 'High and Low Prices,' p. 276.

† The speculations in articles other than corn, which took place in 1817-18, partly in consequence of an extraordinary falling off in imports in 1816-17, and partly in consequence of the peculiar character of the season of 1818, were carried on from 1817 till the summer of 1818. The highest prices, therefore, of such articles were attained in the spring and summer of 1818, and thenceforward the decline commenced.

fell to 79*s.* 3*d.*, and closed the ports in February following.

There was then no doubt of a sufficiency of the stock on hand to last till after harvest ; and, from the immediate pressure of the foreign supply, which had accumulated just before the closing of the port, and which constituted a complete surplus, the seasons of 1817 and 1818 having yielded an average produce, the price fell progressively to 69*s.* in June 1819. But so little real influence had Mr. Peel's Bill, in creating any alarm among farmers and corn-dealers, that immediately after the passing of the Act, the price rose to 74*s.*, the average for July, and to 75*s.* for that of August. This rise was the effect of rainy weather just before the commencement of harvest, and of unfavourable reports of the aspect of the crops.

The weather, however, cleared up at the end of July, and although the produce was deficient in some districts, according to the results which were published in the circulars of the time, it was abundant in others, especially in Ireland, in the north of England, and in Scotland ; and there appears to be now no doubt of its having proved to be a full average. The price, then, being above what could be considered as the ordinary level, declined till January 1820, when the average for the month was 64*s.* But, as a further proof how little Mr. Peel's Bill operated in producing, or even hasten-

ing, the fall of price, it is deserving of remark, that, in the interval from February to August 1820, when the circulation of the Bank of England was at its lowest point, and when the country circulation was greatly reduced, the price rose progressively till it reached an average of 72*s.* 5*d.* in August 1820.

The main cause of this advance was, the opinion which still prevailed, of the insufficiency of our own growth of corn to supply the average rate of consumption. There was a very general disposition, therefore, to speculate upon the occasional unfavourable appearances of the weather, it being supposed, that any unusual delay of the harvest, or, still more, a deficiency, however small, of the produce, would render necessary an importation, which could not take place till the price had reached, and been for some time above, 80*s.*

Thus, no ground whatever is left for inferring a depressing effect upon the price of corn from Mr. Peel's Bill in the twelvemonth which elapsed after the passing of it. But, immediately after the harvest of 1820, all speculations upon the insufficiency of our own growth were at an end; and thenceforward arose an opinion, on this point, the very reverse of that which had prevailed till then. It became the settled conviction, that we grew enough in ordinary seasons, and more than enough in abundant ones, to suffice for the average rate of con-

sumption, without a foreign supply; and the very large produce in 1820 countenanced that opinion.

When that harvest was secured, the accounts from every district stating the produce to be abundant, and the new wheats coming to market freely, while the stock of old was found to be still considerable, a depression of prices was inevitable. Accordingly, the average, which in August 1820, was 72*s.* 5*d.*, was in July 1821, 51*s.* But this fall of price was coincident with a considerable increase of the issues of the Bank, as stated in the declaration of the Governor, quoted in my former Letter. And as to the country circulation, it has been shewn to be an effect rather than a cause of price. Great, however, as was the fall in the twelvemonth following the harvest of 1820, it would have been still greater, if the extent of the produce of that season had then been fully appreciated.

The agricultural reports of that period referred to it as being generally abundant. Messrs. Cropper, Benson, and Co., in their Circulars to Correspondents, and Mr. Hodgson (a partner in that house), in his evidence before the Agricultural Committee, in 1821, stated the result of their systematic examination of the crop of 1820 to be denoted by the figure 38, the average being 32. But I have the authority of Mr. Hodgson for stating, that an error was afterwards discovered in the process by which that result was obtained, and

that the correction of the error gave a result *not under 40*. According to this estimate, therefore, the produce was *at least* one-fourth above an average. Mr. Jacob* computes the excess in the ratio of 320 to 240, or one-third, which, from all the information that I have been able to collect on this point, appears to be near the truth.

It was not till the following two or three years, during which wheat of the harvest of 1820 continued to appear in the markets, that the exuberant produce of that season became generally known. Instead, therefore, of seeking, in the state of the currency, for the cause of the fall of price, it is only matter of wonder that the real and sufficient cause, *viz.*, excess of quantity compared with the average, did not sooner and more powerfully operate.

If the holders, generally, had then been aware that, in addition to a stock at the commencement of harvest, equal to what had usually been held, there was an excess of three to four millions in the produce of that single harvest—an excess which could not, by possibility, be relieved by exportation—there would have been an immediate rush of sellers who would infallibly have brought the price down to 40s. before the close of 1820. For even, as the event turned out, those who held on to 1823 (when, after an intermediate fall below 40s., the price experienced a rally) did not, at the utmost price then ob-

* Second Report, April 1828, page 35.

tainable, realize, after deducting interest and expenses, so much as 40*s*. Therefore, immediate sales at that lowest point would have answered better than holding. It was chiefly incredulity, as to the degree of excess, that could have induced such resistance on the part of the holders to an earlier fall.

Some, indeed, of the holders might, although convinced of the excess of that harvest, be disposed to take the chance of accidents, by keeping their stock for the event of another harvest; but the instances are rare, in which the holders of any commodity, particularly of one so perishable as corn, and so expensive to hold, make up their minds to look on for a twelvemonth forward, without contemplating an attempt at a sale.

The produce of the harvest of 1821 was, according to all the computations, a full average in quantity, but very inferior in quality. The weather was very unsettled, and mostly wet, during the time of harvest, and there was a speculative rise of price in consequence, *viz.*, from 51*s*. in July, to 62*s*. in September. But, although the condition suffered greatly, the bulk was considerable. Accordingly, when it was found that there was no deficiency in the produce of that harvest, and that there were still large quantities of old corn coming forward, the price fell below 50*s*. by the end of 1821, and to 42*s*. by the August following.

The crop of 1820, although most productive in

quantity, was very various in quality, and by no means generally fine. The quality of the wheat of 1821 was throughout very inferior; and this inferiority of quality is to be taken into consideration, in the comparative view of the low average price of 1822.

The crops of wheat in 1822 proved to be an average, and as the quality was generally fine, the yield was large in proportion to the bulk. The harvest was remarkably early, and the crops were well got in. Upon the new wheats appearing at market, which they did unusually early, (reaping having been general in July,) and proving to be of superior quality, and in excellent condition, a general disposition, as usual on such occasions, manifested itself among the holders of inferior old wheat, to force sales; so that, notwithstanding the superiority of the quality of the new, the preponderance of the sales of the inferior old, during the four months following the harvest, was sufficient to depress the averages.

Many of the sales of old wheat at the lowest prices were made, not from any want of capital to hold, nor from any desponding view of the probable course of the market; but, from a preference to hold the new wheat, where it was desirable to hold at all, for remote contingencies. But, preparatory to getting into stock of new wheat, it was expedient to dispose of the old. At the same time, such of the farmers as still held old wheat.

naturally preferred sending that to market before the new. But no one, for the same reasons, would buy the old wheat speculatively. The demand, therefore, for this kind, was limited to immediate consumption ; and every one acquainted with markets must be aware of the enormous sacrifice in price that must be made upon an old article of inferior quality, subject to heavy charges, and coming in competition with a new of very superior quality ; when the supply of both is in excess, compared with the ordinary rate of consumption.

Thus the depression of the average price of wheat, at the close of 1822, is fully accounted for :—

First, by the produce of that harvest coming early to market, and being ascertained to be an average in point of quantity, so that there was no relief, nor any immediate prospect of it, from the pressure of the large surplus which was then ascertained to be on hand, from former years.

Secondly, by the circumstance of the quality of the wheat of 1820 having been only middling, and that of 1821 very inferior, which made the holders of the old stock press sales, at the greatest sacrifices. The average price, therefore, of the last four months of 1822, and the first two months of 1823, is to be taken with a large allowance ; I should say at least 5s., for mere inferiority of quality.

The depression, therefore, being thus sufficiently accounted for, by the combined circumstances of excess of quantity, and great inferiority of quality,

could not, according to any correct rule of reasoning, be referred to any peculiarity in the state of the currency. In such a case, then, if there were any reduction of the circulation, such reduction could not be legitimately assigned as the cause of the fall of prices, seeing that there was already an adequate cause.

It so happens, however, that there was, as I have already shewn in my former Letter, a great increase in the issues of the Bank of England (notes and sovereigns together) in 1822, as compared with 1821, and still greater as compared with 1820. Thus the basis of the currency was enlarged coincidently with a fall in the price of wheat, from 72s. in August 1820, to 39s. between August and December 1822, being no less than 45 per cent.

Third Period.—From the close of 1822 to the present time.

As the fall of prices, to the close of 1822, had been accompanied by an increase of the issues of the Bank, of notes and sovereigns together, constituting the basis of the currency, and had preceded and been the chief cause of the contraction of the country circulation, so the rise of prices in 1823 preceded the enlargement of both the Bank of England and country circulation, and was the chief cause of the extension of the latter.

The rise of the average price of wheat, which is observable in the two first months of 1823, *viz.* to 40s. 8d. in February, was the mere effect of the necessarily increasing proportion of the superior new, to the inferior old, coming to market. The further advance, which took place between February and July following, was the consequence, in the first instance, of purchases by persons who had previously sold their old wheat, with a view to reinvestment in the new*. Subsequently, a speculation arose, on the unpromising aspect of the growing crops.

The spring of 1823 was very backward, with a prevalence of dry cold weather till the latter part of June. From the combined circumstances, then, of the very superior quality of the wheat of 1822, and of the unpromising aspect of the growing crops, the average for June 1823 rose to 61s. 4d., being an advance of nearly 60 per cent. within six months.

Now, this advance, in the first six months of 1823, took place while the amount of the circulation of Bank of England paper was, within a sum not worth mentioning, of the same amount as it had been in the preceding half-year.

* Some speculative purchases were made at that time, upon an opinion which had become prevalent, that prices of corn had seen their lowest; and the wheat of 1822, being excellent in condition and quality, held out additional inducements to purchase, in pursuance of that opinion.

The comparison will stand thus:—

Average amount of Bank Notes.	Price of Wheat
Half-year ending Dec. 1822,	in Dec. 1822,
17,754,966 <i>l</i> .	38 <i>s</i> . 11 <i>d</i> .
Half-year ending June 1823,	In June 1823,
18,086,153 <i>l</i> .	61 <i>s</i> . 4 <i>d</i> .

In order to shew, more completely, the little immediate connection of the Bank issues with the price of wheat at the period referred to, it may be further observed, that between June and December 1823, there was a decided extension of Bank paper, while, in that interval, the price of wheat, which, for the average of June, was 61*s*. 4*d*., fell by October, to an average of 47*s*. 4*d*., and recovered only in December to 52*s*.

Average of Bank Notes.	Price of Wheat.
1823, June, 17,050,414 <i>l</i>	61 <i>s</i> . 4 <i>d</i> .
July, 197,00,494	59 6
Aug. 197,43,656	58 10
Sept. 18,234,628	53 10
Oct. 18,681,588	47 4
Nov. 20,406,564	50 3
Dec. 17,955,778	52 0

It has been contended, that the prospect of the suppression of the one-pound notes, which was, by the provision of Mr. Peel's Bill, to have taken place in April 1823, induced the contraction of the circulation observable in 1822. But, if any contraction had taken place on that specific ground, the removal of that cause of contraction so early as April 1822, when the bill for the prolongation of the circulation of the one-pound notes was brought in, might have been expected at once to restore the circulation to

its former amount. But, as no enlargement took place directly as a consequence of their prolonged circulation, it may fairly be inferred, that the prospect of the suppression had not yet operated in inducing a reduction. And, at any rate, if the prolongation did not induce the enlargement, what did*? If the enlargement of the country issues depended on an increase of Bank of England paper, then, equally, would it fail of having caused the rise of the price of wheat, because, as has

* With regard to the country bank circulation, all the computations of the amount of it proceed on the most vague grounds imaginable; and there appear to be no means whatever of ascertaining the precise dates when the variations take place. The only approximation is by a reference to the number of stamps issued in a particular year. These are all issued on the 10th October of each year; and the numbers for the four years, ending in 1823, stand thus:—

1820	.	.	3,574,894
1821	.	.	3,987,582
1822	.	.	4,217,241
1823	.	.	4,657,589

If, therefore, the applications for stamps were the criterion of the amount, it would appear, that the amount in 1822 was larger, while the price of wheat was very considerably lower than in 1820. But the computation by Mr. Sedgwick of the Stamp-Office, supposes the amount in circulation to have been

1820	.	.	11,767,391
1821	.	.	8,414,281
1822	.	.	8,067,260
1823	.	.	8,798,277

This computation, however, besides being, for reasons before stated, not at all to be relied upon, does not give the period of each year in which the alteration in the amount of the circulation is supposed to have taken place. If it is assumed to have taken place at about the period of the issue of new stamps, *viz.*, 10th October, it will follow that the first increase was in October 1823, consequently long after the great rise in the price of wheat, which took place in the early part of that year, and coincidently with the subsequent fall.

been shewn, no addition to the circulation of the Bank of England took place, till *after* the utmost height of the price of that year had been attained.

It has already been stated, that one of the principal causes of the advance of price to June 1823, was the unpropitious state of the weather, and the unpromising aspect of the crops. As the weather afterwards improved, and as the recent rise had induced large supplies from the farmers, the old stock being very considerable, the markets gave way. Although the weather, during harvest, was wet, the markets still continued to decline. It was not till the close of the year, that the produce was ascertained to be deficient. A fresh speculation then arose, and the price advanced, in February and March following, to 65s. But the speculation was again overpowered by the magnitude of the supplies from the old stock which, although greatly reduced, was still considerable.

The produce, too, of the harvest of 1823, although undoubtedly deficient, was judged to be more than adequate, with the old stock, to supply the consumption at its ordinary rate, till after the ensuing harvest. The price, in consequence, gave way by no less than 10s. per quarter, the average for March 1824 being 65s. 6d., and for September following 55s. 4d., notwithstanding the progressive increase of the circulation of paper in that interval, and notwithstanding

the tendency which then prevailed to a general spirit of speculation.

The weather, during the harvest of 1824, was unsettled, and the produce was barely an average. The stock on hand had, in the interval, been further reduced, there being no longer, as heretofore, samples of wheat of three or four years old, at market. Under these circumstances, an advance of price, after the harvest of 1824, proceeded upon perfectly justifiable grounds. And it is a very strong presumption, that the corn market at that time was not influenced by the spirit of speculation*, which prevailed in other branches of business, that the rise was so moderate in the spring of 1825. But a more decided proof to the same effect is, that, after the commencement of the fall in nearly all other commodities, the price of wheat maintained itself, notwithstanding the liberation of a large quantity of bonded corn. It was not till *after the harvest of* 1825, which was remarkably early, and yielded an average produce, that the price gave way at all, and then very slowly.

The fluctuations, however, of the prices of wheat, after 1822, do not admit of being accounted for, without a more distinct reference, than I have hitherto made, to the operation of the corn laws.

Down to the close of 1822, the rise and fall of the

* This absence of the spirit of speculation in corn, in 1824 and 1825, may be ascribed to the disappointment and loss which speculators for a rise had sustained in 1821 and 1823.

prices of wheat were common to this country, with the rest of Europe, although the fluctuation was doubtless aggravated by the corn bill of 1815*.

But after 1822, prices abroad fell, while they rose here. (The harvests of 1823 and 1824 appear to have been better on the continent than they were in this country.) If, therefore, foreign corn had then been admissible for home consumption, prices would not have risen here, nor fallen abroad, to the same extent as they did, in the interval between 1822 and 1825. In describing, therefore, and accounting for the fluctuations in the price of wheat after 1822, the corn laws demand a great share of attention.

The agitation of the question of the corn laws, in the spring of 1825, had contributed, among other causes, to preserve the corn market from the effects of the spirit of speculation which prevailed in other branches of trade, in the spring of that year. But, such was the general impression of this progressive reduction of the old stock, and of our consequent increasing dependence on the

* The effect of the corn laws was obviously to diminish the importation in 1816, when we most wanted a foreign supply, and to increase the importation in 1817 and 1818, when we had ceased to have occasion for it. A reference, therefore, to this aggravating cause of the rise and fall of prices between 1815 and 1822, would of course, as far as it went, add to the force of the argument against the assumed influence of the currency, in producing that fluctuation. But the negative of such influence appeared to me to be decisive enough, without that addition, which, therefore, in its details would have only encumbered the argument.

produce of the forthcoming harvest, that, notwithstanding that nearly 400,000 qrs. of wheat, in the spring and summer of 1825, were admitted for home consumption, at a duty of 12*s.* per quarter, the average price did not fall below 68*s.*, till the commencement of an unusually early and a promising harvest. It is, hence, evident, that high as the price of wheat was, just before the harvest of 1825, it would have been still higher, but for the admission of the bonded wheat.

This admission, however, of bonded wheat was not in pursuance of any provisions of the act of 1815, but in violation of it; and the infringement, in this instance, of the principle of the prohibition up to 80*s.*, had an effect upon prices not only by the quantity so released, but by the impression, which became prevalent, that a similar relaxation would again be resorted to. It was under this impression, strengthened by the other depressing circumstances of the time, that the price declined in March 1826, to 56*s.* But, upon a declaration made by ministers in Parliament, that there was no intention of admitting the wheat then in bond, the average price rose in April, to 60*s.* This, in the distressed state of the manufacturing population, was a high price; but under the uncertain prospect of the coming harvest, and the conviction of a greatly diminished surplus, apprehensions were entertained of a further advance.

As a measure, therefore, of immediate relief, go-

vernment, contrary to its former determination, proposed to Parliament, on the 1st May 1826, the release of the corn then in bond ; and ministers further proposed, as a precaution against the contingencies of an unfavourable harvest, to be invested with discretionary powers, to admit, during the recess of Parliament, such additional quantity, not exceeding 500,000 qrs., as circumstances might dictate. An intimation was, at the same time, given, of the intention of government to propose, early in the next Session of Parliament, an essential change in the corn laws, involving a great relaxation of the prohibitory part of the system.

These measures, coinciding with a depressed state of credit, and followed, as they were, by a remarkably early harvest, of which the wheat crops were productive somewhat beyond an average, and secured in a condition fit to be brought immediately to market, had the effect of keeping down the price, which ranged from 58s. to 55s., during the remainder of that year. Notwithstanding, however, the depressing circumstances of the times, and notwithstanding the prospect, amounting almost to a certainty, that the wheat which had been imported in 1826, to an extent of upwards of 500,000 quarters, would be admitted for home consumption before the following harvest, the price rose to 60s. in July 1827. The harvest of that year was computed to have yielded an average in point of quantity. But in quality and

condition, the wheat was greatly inferior to that of 1826.

As soon as it was ascertained that the produce of 1827 was not decidedly deficient, and that there was, consequently, no probability of any immediate advance of price, the greater part of the wheat which was in bond, previous to 1st July 1827, amounting to upwards of 500,000 quarters, was entered for home consumption, under the provisions of Mr. Canning's bill. The average price then declined progressively, till it reached its lowest point of depression in December following, viz. 49s. per Winchester quarter. But this fall took place without any coincident alteration in the currency. Credit had been restored, and the general circulation had been, consequently, enlarged, more especially as compared with the winter of 1825 and 1826, when the price of wheat was upwards of 20 per cent. higher.

While, however, in these variations, so little influence of the currency is perceptible, we may distinctly trace the operation of the corn laws, infringed and altered as they were, by the admission of the bonded corn in the years 1825, 6, and 7.

The rise which took place subsequently, has been notoriously the effect of the seasons, modified by the effect of the corn laws.

SECTION II.

Examination of the different Corn Laws, from that of 1815, to the present time.

HAVING shewn that the effects of the corn laws, in subordination to the seasons, were so decided, and so immediately obvious as to leave no room whatever for admitting any influence of the currency, it will be now desirable to leave the supposition of such influence out of the question, and to conclude the present letter by a brief examination of the different corn laws, from that of 1815, to the present time, considered as measures of policy.

In reasoning upon the effect to be ascribed to the corn laws, upon prices subsequent to 1822, it is to be observed, that the principle of the total exclusion of foreign wheat up to 80s., as prescribed by the act of 1815, did not come into operation. If no alteration of that law had been made by the legislature, and no infraction of it by government upon its own responsibility, the effects would have been such, as to exhibit a most instructive, however appalling, a lesson, upon the principle of the attempted monopoly.

Taking the seasons as they occur, it is in the highest degree probable, that on the eve of the har-

vest of 1827, if not sooner, the price of wheat would have reached 80s. on the average, so as to open the ports to importation, duty free, during the period limited by the act.

The stock on hand on the eve of the harvest of 1827, has been variously computed, but no estimate that I have seen raises it above 2,000,000 qrs.

If from this we deduct, admit-

ted from bond in 1825-6	650,000
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It will leave	1,350,000
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as the stock that would have met the harvest of 1827, if the law of 1815 had not been infringed. Now, if with a stock of about 2,000,000 of quarters then on hand, and the certainty that about 600,000 quarters more of foreign wheat, which were in bond, would, by Mr. Canning's bill, be admissible at a duty not exceeding 22s. 8d., in the event of the harvest turning out favourably, and at a still lower duty if it turned out adverse, the average price rose in July and August, to 60s. per Winchester quarter,—can any one doubt, that with a stock less by 650,000 quarters, with the assurance that no foreign supply could be introduced, till the prices should be for some time above 80s., a speculation would have raised the averages so as to have opened the ports.

But before the opening took place, the probability of the event would have been seen and acted upon, and preparations for importation would forth-

with have been made ; and as, by the bill of 1815, the ports were to remain open for some weeks, without any duty, it is not too much to suppose that an additional supply of 3 or 400,000 qrs. would have been poured in, during that interval. Thus, the quantity suddenly admitted to home consumption would have been upwards of 1,600,000 qrs. Then, as soon as the harvest had been found, not to be deficient, there would have been a pressure of sellers, as well of this large quantity of bonded corn admitted duty free, as of the supplies from the farmers, which usually come forward as soon as the crops are secured in good order. Under such circumstances, I am persuaded that at the close of 1827, the price of wheat would have been under 40*s.* and probably at 35*s.*

The operation of the Corn Law of 1815 would thus, if it had been rigidly enforced, have occasioned a fluctuation in three years (of which the harvests had been singularly equable in produce) from 55*s.* in September, 1824, to 80*s.* in August, 1827, down to 40*s.* or 35*s.* by December, 1827. Happily, the public have been saved from the sufferings attending such a rise, and the agriculturists from the effects of so great and sudden a fall. At the same time, the fulness of illustration of the mischievous tendency of that celebrated law has thus been lost.

A Bill was passed in 1822, which was to take effect only when the price of wheat should have reached 80*s.* and was then to supersede the bill of

1815. But it provided for the admission of the wheat bonded prior to 1822, at a duty of 17s. whenever the average price reached 70s. By this provision, the rise to 80s. which must have taken place in 1827, under a rigorous application of the law of 1815, would, perhaps, have been avoided. The bill, however, of 1822 never came into operation as regarded wheat, the average price not having reached the limit, beyond which the provisions of that bill were to take effect, and to supersede the act of 1815.

The attempt at a monopoly by that bill, was more elaborate and more specious than by that of 1815 ; but if it had been suffered to come into operation, it would have been found to occasion fluctuations equal at least in degree, although differing in the mode and time of their occurrence.

As some regret has been expressed by the leading agriculturists at the repeal of the law of 1822, it may be worth while to bestow a few words in shewing what would have been its operation, under circumstances of a harvest like that of 1828.

When the deficiency of the wheat crop was ascertained, the average price would of course, in the first instance, have advanced, as it did under the present bill, to 70s. But in the confident opinion which prevailed among the holders of imported corn, that a supply of foreign wheat was indispensable, hardly any entry was, in point of fact, made, even under the present bill, at a duty of

10*s.* 8*d.* which was payable when the average was at 70*s.* It was not till the average reached 73*s.*, when the duty came to its minimum, *viz.* 1*s.*, that the bulk of the supply of foreign wheat, whether in warehouse or in ships recently arrived, was entered for home consumption.

But if the holders would not pay a duty of 10*s.* 8*d.* when the average reached 70*s.*, still less would they, if the bill of 1822 had been in force, have submitted to a duty of 17*s.* while there was so reasonable a prospect that, by holding off for a short time, the average price would rise to 80*s.* when the duty would be reduced to 5*s.* By the time, however, that the price had reached 80*s.*, the necessity of a large foreign supply would have become still more manifest, and a speculation would have arisen upon the prospect of the averages reaching 85*s.* which they must inevitably have done, if any large proportion of the foreign wheat had been withheld with a view to be brought in at 1*s.* duty.

That such would have been the process and the result, if the bill of 1822 had been in operation and rigorously enforced, I am perfectly persuaded, from what I had occasion to see of the course of the corn markets.

It may be supposed that the pressure on the money market which began to be felt at the close of 1823, and the alarm of the bank and the bankers, at the possible effects of the tendency of gold to be exported, would have prevented a rise, under the cir-

cumstances assumed, to 85s. But they know little of the corn markets who suppose that as long as a confident opinion prevails of the probability of a great further rise of price, there can be a want of capital and credit sufficient to realize such opinion.

Nothing, indeed, can illustrate better the expansive nature of the currency, on occasions of any distinct ground for speculation, than the state of the corn market in December last.

Notwithstanding the large quantity of foreign corn which had been imported and submitted for home consumption, and notwithstanding the talk about the suppression of the one pound notes, the export of gold, and the consequent necessity of contracting the circulation, prices continued to advance till they reached an average of 76s.; and when, towards the close of December, prices began to give way, the tendency to a decline was not preceded by any discredit, or apparent want of means among buyers, to make further purchases; or by a pressure of sellers, from inability to hold.

A pause in the rise, and then a tendency to a fall, took place, when it was found that the importation had already exceeded the utmost previous computation, and that supplies were coming forward from sources which, from having been wholly overlooked, were now swelled into exaggerated importance. It was this excess of the actual and contingent supply beyond the utmost estimates, that first staggered and then changed the opinion, which had before pre-

vailed, of the probability of a further rise. There was then an end of fresh capital and credit coming forward to replace that which required to be realized. Sales were forced, partly from necessity by those who had imported or bought in the full reliance of being able to sell at an advance, before their engagements became due, and partly from an opinion that there was no sufficient prospect of a rise to justify holding.

From the moment, however, that this process took place, discredit naturally attached to those persons who were known to have embarked at high prices with slender means. Failures of course followed, and there was then, as there would have been in any state of the general currency, a partial contraction of the circulation in the corn trade. This contraction of the circulation in the corn trade, from circumstances peculiar to it, would of course be aggravated, if it coincided with a contraction of the general circulation.

All that I have proposed here to shew, is, that there was nothing in the state of the circulation, to have prevented the price from rising in December last to 85s., if the corn bill of 1822 had then been in force: and if it had so risen, the recoil of prices, and the consequent discredit and failures in the corn trade, would have been by so much the greater; besides entailing the prospect of a repetition of similar fluctuations, before the final adjustment of the supply and demand could have taken place.

There would, doubtless, have been great fluctuations in price under circumstances of such a harvest as the last, supposing even that the trade in corn had been perfectly free. It is only here contended, that the fluctuations necessarily attending so great a variation in the productiveness of the seasons, would be greatly aggravated by restrictions on importation, like those of the corn bill of 1822.

The present corn bill is less objectionable than either of its predecessors, in as far as it is less restrictive; but in the exact proportion in which it is restrictive, is it liable to the charge of occasioning fluctuations beyond those which are inevitably incidental to such an article as wheat, the supply of which depends so much on the weather.

Take for instance, the recent experience of the workings of the bill. In consequence of the failure of the last crop, it became evident that a foreign supply was requisite to make up for the deficiency of our own growth. But, by the operation of the corn law, the supply which was particularly desirable in August, and September, and October, for the purpose of mixing the dry foreign wheat with the damp British, was withheld till November. From the withholding of the foreign, the market naturally rose higher than it otherwise would have done. In that interval the sellers of British wheat obtained a better price, by the foreign being so withheld from consumption.

But in consequence of the high price, caused by

the artificial, thus super-added to the natural scarcity, there was, independently of the rush to secure the 1s. duty, a greater inducement to hasten the importation than would otherwise have existed. A great deal was shipped at the ports of the Baltic in November and December of last year, at extravagant freights, and premiums of insurance, which would not have been shipped till April or May following, if the duty had been at a fixed moderate rate. Neither would the importations from France, Spain, and Italy, or from the Netherlands, have been to the same extent, but for the speculation on the shilling duty.

Without entering into details which would lead to an inconvenient length, I will only here state my firm belief, founded upon all the information which I have been able to collect, that if, instead of the variable duty of the present corn bill, there had been a fixed duty of 10s., the importation to the end of March last would have been less by from 200,000 to 300,000 quarters than it proved to be. In proportion, then, as the price was higher in the three last months of 1828, by the operation of the bill in keeping the imported wheat from entry till the latter part of November, so was it the more depressed in the three first months of 1829, by the excess of the importation, which was caused by the speculations on the low duty.

It was supposed that the averages were maintained at a high level, for the purpose of keeping the ports open at the lowest duty, for a longer time

than they would have been, if the returns had been fairly made. On the other hand, the suddenness of the fall of the averages, in consequence of the investigation which took place into the reported unfairness of some of the returns, and the rectification of the imputed errors, had the effect of causing a great deal of wheat, which arrived in the latter part of March, to be liable to the alternative of paying a high duty, or of being bonded. The importers have thus been exposed to a heavy loss, which may have the effect of discouraging an importation at a future time, when there may be more need of it.

Into the question of the fairness or the unfairness of the mode in which the returns for the average prices are taken, it would be foreign to my purpose to enter at any length. I will only on this point observe, that the unfairness of returns, and the manœuvres to which the system of regulating the amount of duty, by the average prices, is liable, form of themselves, if there were no others, a very weighty, if not a paramount objection to that system.

Under the bills of 1815 and 1822, the state of the averages had not, in point of fact, any practical operation as regarded wheat, because the price was never near enough to the opening rate, to induce an attempt to operate upon them *.

* This remark applies only to wheat not the growth of our own colonies; but, in point of fact, the amount of Canada wheat in bond was never sufficient to induce any operation on the averages.

But, under the present bill, the state of the averages must be constantly operative, and will, therefore, incessantly be an object of solicitude and a ground of contention. And independently of the frauds to which the mode of making the returns is inevitably exposed, there will, according to the preponderance of the interests of one of the parties, in the struggle for admission or exclusion, be *bonâ fide* purchases and sales, for the mere purpose of influencing the averages.

Now, operations of this kind, being dictated without regard to correct mercantile views of probable supply and demand, are more likely to be in aggravation, than in compensation of the fluctuations to which the article is necessarily liable, from the vicissitudes of the seasons. According as either party prevails in the struggle, will be the probability of loss to the other.

But in either case, the public is likely to be the sufferer. In either case the rate of consumption, the direction of capital, and the prospective importation, will be influenced in a manner different, and possibly opposite, to that which would be the result of the best calculations that could be made on the actual, combined with the prospective supply and demand. And although such calculations are liable to great error, from the impossibility of appreciating the extent of actual and contingent supply on the one hand, and the rate of consumption on the other, it is obvious that the chances of

error must be increased, in proportion to the number and complexity of the considerations, which are to be included in the calculation of probabilities.

If the system of averages could be divested, which I believe it cannot be, of the liability to fraud and manœuvre, there would still remain enough of complexity and uncertainty in the machinery of the present corn bill, to render it highly objectionable. It must, upon the grounds already stated, be obnoxious to the charge of injuriously influencing the rate of consumption, the direction of capital, and the extent of the importation. And there might, indeed, be a state of circumstances, in which, if the provisions of the bill were rigidly adhered to, the subsistence of the people, and the peace of the country, would be compromised.

That this is no visionary supposition, may be shewn, by a reference to what was very nearly occurring last year. It has already been observed, that by the operation of the bill, last autumn, nearly all the foreign wheat, whether in warehouse or afloat, was withheld from entry for home consumption, till the latter end of November, and that the effect of this was, to raise the price of the last, in three months of 1828, and to depress it in the first three months of 1829, as compared with what would probably have been the state of prices, under a fixed moderate duty*.

* Besides the greater fluctuation of price, the public, by the withholding of the foreign corn in bond, suffered the inconvenience of

But if the rains instead of ceasing, as they did, in the third week of August, had prevailed both in this country, and on the continent of Europe, throughout the autumn, as they had done in 1816, the situation of the country, as to subsistence, would have been most perilous.

The new wheat, in this case, could not have been applicable, in a general way, to the purposes of food, till near the close of the year. And there not being in 1828, as there was in 1816, a large surplus of old wheat, there might have been, last autumn, an absolute insufficiency to supply the urgent want for immediate consumption; the foreign supply being withheld till the averages should rise to 73s. But the very inferiority of the new wheat, in the case supposed, would have retarded the rise of the averages; and the alternative would thus have occurred, of a state of suffering approaching to famine, on the part of the population, or of an interference by government, in immediately admitting the wheat then in bond, at the lowest duty.

There can be little doubt that government would, upon its own responsibility, under such circumstances, have immediately interfered, by suspending the operation of the bill, which would then have been virtually repealed, within a month of its en-

having, during the month of September, October, and November, a large proportion of the flour then in use, in a state of dampness, which rendered the bread unpalatable and unwholesome, and which would have been corrected by a due admixture of the dry foreign wheat.

actment. It has escaped that danger, but it would be exposed to the recurrence of the risk of suspension, under the following contingencies, which, if not highly probable, cannot be considered as involving any great degree of improbability.

Suppose that the quantity of British and foreign free wheat be considered sufficient, and but just sufficient to supply the consumption, till the usual period of harvest, say till the middle or at latest the end of August; and that the average price be at or under 67*s.*, and the duty at or above 20*s.* 8*d.* In this case, we may be exposed to one or other of the following disadvantages.

If France and the south of Europe should exhibit any decided marks of a want of supply before harvest, a considerable part of what is provided in the shipping ports of the north will find its way thither, with the addition probably of some that has been bonded in this country; so that, on the eve of harvest, we might be quite bare of free wheat, and have only a small supply of foreign in bond.

What then would be our situation if the harvest should prove deficient? There is no saying to what height prices might not rise, and what might not, consequently, be the sufferings of the people, before any relief, by a foreign supply, could be obtained. In all probability, government would be obliged to interfere, not only by the immediate admission of the corn actually in bond, at the lowest duty, but by the suspension of the bill for a given

period, so as to afford a security to the importing merchant against the risk of being caught in the trap of the high duty, as he was in March last.

Under such circumstances, the indignation of the public would be so much roused by its sufferings, which it would, probably, attribute wholly to the corn laws, although other causes might co-operate, that nothing short of an alteration of the principle of the measure would appease the excitement of popular feeling. This would be the *violent* death of the bill.

Now suppose, on the other hand, that while the quantity of British and free foreign wheat was sufficient to carry us on to harvest, but so barely sufficient as to render necessary a range of prices between 65*s.* and 67*s.*, making the duty 22*s.* 8*d.* or 20*s.* 8*d.*, there were no demand whatever, for France or the south of Europe: then, it is clear that the bulk of what has been provided in the ports of the north would be brought hither; but the high duty would not be paid as long as there was a chance of the harvest turning out ill. Suppose, further, that the harvest should turn out as abundant as that of 1820. There would then be an end of all speculation on high prices, and a well-grounded apprehension of a great fall. The whole, or nearly the whole of the bonded wheat would then be entered for home consumption, if the duty were not to exceed 22*s.* 8*d.*; because, although there would be a heavy sacrifice to the importer, at that rate, he

would consent to pay it, rather than risk the loss of the power of selling at all, if shut out from this market ; and having paid this high duty, he would be anxious to realize by sales, before a further fall of price. Under these circumstances, it is not at all inconceivable that the price might decline to 45s., or possibly to 40s., before the following harvest, especially if that should promise favourably. We should then again have the cry of agricultural distress, and a clamour, on the part of the landed interest, for some new measure, which they would, by their preponderance in the legislature, in all probability succeed in carrying. This would be the *natural* death of the bill.

But be the productiveness of the crops what it may, it does not require much of the gift of prophecy to foretell that the present bill cannot be of long duration. In the progress of experience, it will soon be found that—while it is injurious to the public by the fluctuation of price, and by the misdirection of capital which it occasions, and, above all, by delaying or diminishing supplies of subsistence in times of need,—it fails and must fail of giving the protection, or, more properly, of conferring the monopoly which is sought by the landed interest.

Happily, the nature of things is opposed to the perfect attainment of such monopoly. The landlords may continue for some time longer to inflict great evils on the community, in their endeavours to keep up their rents ; but repeated experience of the

inefficacy of all plans for that object, must eventually compel them to adopt a less odious system, for regulating the corn trade. But no legislation will be perfectly sound, no measure can be expected to be permanent in operation, that has in view to keep the price of corn, in this country, materially above that of the rest of Europe.

If, however, the principle of the present corn bill be abandoned, it will probably be proposed to substitute *a fixed duty*. The expediency of a fixed duty will then, perhaps, be generally admitted, but there will be no small difference of opinion as to the quantum.

Upon the first discovery which the landed interest made of the inefficacy of the corn bill of 1815, in preventing a ruinous fall of price, it was proposed by their organ, the late Mr. Webb Hall, to substitute a fixed duty of 40s. per Winchester quarter. Little short of this would, even at this time, probably, be requisite to allay the apprehensions, which haunt the landed interest, of an unlimited and overwhelming importation. Mr. Ricardo's proposal of a duty of 20s. subject to an annual reduction of 1s. till the rate got down to 10s. at which it should be permanent, was barely listened to, and not for a moment entertained. And Mr. Hume's motion last session, for a fixed duty of 15s. subject to a similar reduction of 1s. annually, till 10s., when it should be permanent, was negatived by a very large majority.

Now I am intimately persuaded, that not only 20s. but even 10s. per quarter could not be retained, in the event of scarcity ; particularly if a scarcity in France should coincide, as it has done, in the great majority of instances, with a scarcity in this country.

The difficulty, or, as I conceive, the impossibility, of maintaining a duty on the importation of corn, under such circumstances, rests upon two grounds ; —viz.

1. The state of public feeling.
2. The competition with France for supplies.

It has been urged in favour of a fixed duty, to be levied under all circumstances, that the public, if the amount of the duty were such as could be justified in argument, upon grounds of expediency, would, from a sense of interest, acquiesce in it. But it appears to me that persons entertaining this opinion can have had very little experience of the state of popular feeling, on occasion of dearth. Even if the arguments in favour of the maintenance of a duty, under such circumstances, were sufficiently cogent to satisfy unconcerned persons of their validity, they could not be expected to have any weight with a famishing population.

There could be no doubt that the immediate effect of the duty would, according to its extent, be to diminish the importation, and thus to raise the price, or to prevent its fall.

Now, however satisfactorily it might be made out, that a temporary rise would ensure eventual

cheapness, it is rather difficult to conceive how those classes, who must, by the supposition, be suffering from an actual insufficiency of food, could be brought even to understand, and much less to acquiesce in such reasoning. Some of the persons, to whom such reasoning is supposed to be addressed, might be actually starving, and surely to them, the prospect of cheapness, some year or two afterwards, would form no ground of acquiescence in the policy of an aggravation of the existing famine.

I can well remember the state of excitation which prevailed during the great scarcities occasioned by the deficient harvests of 1794 and 1795, and of 1799 and 1800. He must have been a bold statesman who would, under these circumstances, have ventured on enforcing even a very low duty on importation. The administration of that time, of which your Lordship formed a part, was not generally chargeable with yielding lightly to popular intimidation. But yet to pacify the public feeling, by evincing a disposition to secure and hasten the largest possible supply from abroad, the government of that day proposed, and parliament sanctioned, the granting of enormous bounties* upon importation. To have thought of maintaining a duty, however trifling, on importation,

* The bounties paid on the importation of corn in 1796 amounted to 573,418*l.*, and in 1800-1 to 2,135,678*l.*

would have been deemed little short of madness ; and such I am persuaded would be the feeling again, upon the occurrence of a similar degree of dearth.

In the more recent scarcities of 1811-12, and 1816-17, it is well known that the peace of the manufacturing districts was considerably disturbed ; but if there had been reason to suppose, that any part of the rise in the prices of food had been produced by artificial means, there can be no doubt that the tendency to popular commotion would have been greatly increased.

The scarcity, however, of 1816-17, severe as it was, while it lasted, was not of long duration, being the result of only a single deficient season.

It is upon the occurrence of a second season of scarcity, in immediate succession, that the phenomena of dearth are most apparent and appalling. A part of the population, already on short allowance, is less able to bear the further privation ; and the classes immediately above the lowest, having, in order to secure a sufficiency of food, at the advanced prices, during the first year of scarcity, diminished their pecuniary means, would, in the second year of dearth, be unable to buy a sufficiency at the same price, and much less at the higher rate, to which it would, probably, reach. The circle of suffering would therefore be greatly extended, and the difficulty of preserving tranquillity proportionally increased.

Independently, therefore, of the consideration of a competition with other countries, and with France especially, in obtaining supplies from the ordinary sources, it would be hardly possible to enforce, and impolitic to attempt, the levying of a duty in case of dearth. But were it both possible and politic, with reference only to the state of public feeling, it would be highly impolitic in the event of a competition with France for a foreign supply.

It is well known that the French government, in order to supply the want of speculation in the corn trade in France, considers it a part of its duty to secure the subsistence of the metropolis at least, at a moderate rate; and for this purpose, it occasionally employs agents to make purchases abroad of corn, which is sold below its cost to the bakers of Paris, under certain regulations. The municipalities of some of the principal provincial towns adopt precautions of a kind somewhat similar, when under the apprehension of scarcity. These are measures commonly adopted under a distant apprehension of deficiency; but when the pressure of actual want is felt, and when this is aggravated, as was the case in the spring of 1817, by alarm at the prospect of the coming harvest, the French government has, on former occasions, not only made purchases abroad, and kept its ports open, for a stipulated time, but held out a bounty to the importers. And it is pro-

bable that, under similar circumstances, it would do so again *.

Now it must be obvious that, in a competition of this kind, a fixed duty on importation in this country would facilitate the purchases for French account, by the exact amount of the duty ; and consequently be so much to our disadvantage. It is perfectly clear, therefore, that no government in this country could, under such circumstances, consent to be responsible for maintaining the public tranquillity, if the duty were to be rigorously enforced.

If, then, it be admitted, that a fixed duty of any but a nominal amount, could not be retained in the event of a scarcity, the only question is, whether the price which might be considered indicative of the degree of scarcity, requiring a remission of the duty, should be fixed by law, or left at

* It is now said, that the French government has determined to abandon the system on which it has hitherto acted, of providing, by purchases through its agents, a reserve of wheat for the supply of the metropolis in periods of scarcity. How far in such a state of the corn trade, as exists in France, where it is not only disreputable, but unsafe to speculate in articles of food, the government can with safety avoid all interference in obtaining a foreign supply, whether by direct purchases, or by a bounty on importation, where there is an actual deficiency of the existing stock, and an apprehension for the event of the coming harvest, remains to be seen. Such an absence of interference can only proceed from a reliance on the enterprise of individuals, to procure a sufficiency of foreign supply. But if the expectation of such individual enterprise be realised, the effect will be felt in a competition with this country, of purchases for French account, at the sources of supply, in all probability to the same extent, as if they were made by the government, although not in a manner so sudden and violent as was experienced in the spring of 1817.

the discretion of government. In either case, the protection or monopoly proposed in favour of the home grower would become nugatory ; and, in fact, the duty could not, in any sense of the word, be said to be fixed.

Suppose that the scarcity point at which the duty should cease were fixed by law at 75s. ; then, upon the occurrence of a harvest known, or even only supposed to be deficient, the whole of the foreign corn would be withheld, upon the speculation of being admitted duty free. And an increased importation would take place upon the same speculation, till prices abroad were raised to the full level of ours, less only the freight and other charges. The speculation might, as heretofore, outrun the occasion ; and when the average price subsided again to the rate at which the duty would attach, it might be found that there was a large surplus of free foreign corn, with a further quantity liable to the duty, but held in bond as a contingent supply, the aggregate being probably by the force of the speculation, upon the prospect of its being admitted free of duty, during the opening, greater than it would have been under a permanently free trade.

If, instead of being fixed by law, the scarcity point were to be determined by government, the monopoly of the home grower would be still more imperfect. Either he would be taken unprepared, by a sudden proclamation of government, as in

the case of the admission of spring corn at a low duty, in September 1826, while holding for a price proportioned to his estimation of the scarcity ; or he would be in expectation of such a measure, in which case he would endeavour to anticipate the opening by hastening sales at lower prices than he would otherwise have submitted to. The period of opening might thus be deferred, but the eventual scarcity would be increased, and the home grower would have parted with the greater portion of his stock, before the utmost extent of the rise occurred, which would then be chiefly for the benefit of the holder of foreign grain.

A discretionary power vested in government, and supposed to be likely to be exercised for the admission of foreign corn, on lower terms than those nominally fixed by the law, has a more depressing effect, than if the price were to be really fixed by the law, at as low a rate as that at which the government would, in point of fact, admit it. The precise intentions of government, being, by the supposition, unknown, the more timid of the farmers would assume a maximum lower than that which might be really intended, and so be induced to sell more freely, and at lower prices, than the existing and contingent supply might warrant. A feeling of this kind prevailed through 1827, and the early part of 1828, and, combined with the notions which had been infused into the farmers' minds, of the impossibility of any great rise of prices, under the

existing regulation of the currency, had the effect of keeping prices lower than the reduced stock of wheat in the country warranted.

But if the necessity of a foreign supply were not limited to the object of removing the pressure of a partial deficiency on the eve of harvest, with the prospect of an early and abundant crop, as in the case of the wheat crops of 1825 and 1826, but should arise from a decided failure of the harvest, as in 1828, government would, if they had discretionary powers, be obliged to hold out the security of a certain period, during which the importation should be continued at a low duty. (This was the case with spring corn in 1826.) And in the interval so secured, it is well known what efforts will be made to import the largest possible quantity.

Of the alternatives of the scarcity point being fixed by law, or at the discretion of government, it appears, that, while the necessity for either is fatal to the attempt at any effectual monopoly in behalf of the landed interest, the latter alternative is more adverse than the former, and will operate more generally in deterring the farmers from holding stock, so that when a bad harvest occurs they will be less likely to benefit by the rise.

But even a duty, irrevocably fixed on importation, would not have the effect of securing a price permanently high. In proportion to the encourage-

ment thus held out to extended cultivation, would be the excess of produce in seasons of abundance ; and as there could be no relief by exportation, the depression of price under the excess might be such, as would more than counterbalance any previous elevation.

To obviate this difficulty in the way of a high average price, it has been suggested, that a bounty should be granted on exportation equal to the duty, which should never be remitted, on importation. And I am ready to allow, that if the policy or justice of granting any protection, as it is called, to the landed interest were admitted, this would be the only mode of making such protection effectual in keeping up a higher level of prices, and consequently higher rents.

To the extent of the amount of taxation which falls *exclusively* on the production of corn, a countervailing duty on importation would be justifiable, and to the same extent, in order to accomplish the object of such countervailing duty, should there be a bounty on exportation*.

But however correct in principle would be a bounty on exportation, corresponding in amount with a duty on importation, the objections in prac-

* Into the question of the amount of taxation, which falls *exclusively* on the production of corn, I will not now enter, further than to express, in general terms, my conviction that an accurate investigation of the items would bring the amount considerably under 10s. per quarter.

tice to such a measure would be insuperable*. For, independently of difficulties of detail, it might add seriously to the weight of taxation, to which, for such an object, the public would hardly submit.

A consideration may here, too, be added, which may lead to a doubt whether, if the public of this country would submit to a bounty on exportation, such bounty would be effectual in inducing a large export, and in thus maintaining a higher level of prices here. The restrictive system which prevails in France, and Portugal, and Spain, would preclude an export, under any bounty, to those parts, unless they were suffering from scarcity. The ports of northern Europe would, of course, be out of the question; and with regard to the Mediterranean, we should hardly, under any conceivable bounty, be able to stand the competition with

* The necessity for a countervailing bounty or a drawback on exportation, constitutes of itself a great objection to a duty on the importation of raw produce. The machinery of such bounty or drawback, unless on the identical article on which the duty has been paid, is expensive, and liable to frauds of various kinds. But independent of absolute fraud, in the legal sense of the term, an unfair advantage, or one not contemplated by the law, is commonly made, by claiming the bounty upon the shipment of goods of an inferior quality to that on which the import duty has been paid. Thus, if there were a bounty of 10s. on the exportation of wheat, to countervail a duty on importation to the same amount, the course of the trade would be, to import chiefly the best description, and to export the lowest quality of home-growth, of little more, perhaps, than one half or two-thirds of the value of that on which the import duty had been paid. And it may here be incidentally observed, that a bounty, to countervail a duty on the importation of the raw materials of manufactures, is liable, not only to this objection, but to the further one of fraud by adulteration or mixture of the manufactured article on which the bounty is claimed.

Odessa and Alexandria, for the supply of the few ports that would be open to us.

If, therefore, even this last expedient, of a bounty on exportation, should fail of answering its object, the conclusion is, that all attempts of the landed interest to secure a permanently high price by legislative restrictions, must prove abortive. And, after a repetition of experiments, attended with injury to the public, and with disappointment to the agricultural classes, it will be found, that the system most beneficial to all interests will be a trade perfectly free, or subject only to such a moderate fixed duty as, serving the purpose of a revenue to the state in ordinary times, may be remitted without inconvenience, in periods of dearth.

I have the honour to be,

MY LORD,

Your most obedient, humble Servant,

THOMAS TOOKE.

Richmond Terrace, Whitehall,

May 9, 1829.

To the Right Honourable

LORD GRENVILLE,

&c. &c. &c.

POSTSCRIPT.

It may be expected that I should endeavour to explain, consistently with my view of the little influence of the alterations in the system of our currency, the present stagnation of trade and depression of prices.

This state of things is commonly, and I should say almost universally ascribed, first, to the operation of Mr. Peel's Bill, in enforcing a metallic standard, and, secondly, to the withdrawal of the one pound notes.

Now, at the risk of being thought paradoxical, I have no hesitation in giving it as my opinion, that the exaggerated apprehensions of the effects of the operation of Mr. Peel's Bill and of the suppression of the one pound notes, have exercised a salutary influence, inasmuch as, had it not been for the existence of those exaggerated apprehensions, that which is now only a stagnation might have been a revulsion of credit; and the fall of prices, which, compared with what they were at this time twelve-month, is, upon the whole, inconsiderable, might have been to a ruinous extent.

In the months of July and August last (1828), there existed a considerable disposition to speculation. This disposition was induced chiefly by the prospect, which was afterwards realized, of a failure of the wheat crops. A general opinion prevailed that a rise in the price of corn would be, as it had been on some former occasions, attended with a rise in the price of most other articles. The foundation for such an opinion, and the manner in which it had, on former occasions, operated, I have explained elsewhere. In the present instance, the disposition to speculate on any very considerable advance of prices was, in a great measure, confined to corn; as regarded other articles, there was rather a general expectation of a moderate improvement than of a great advance.

The operation of this state of opinion was observable in an extension of stocks of raw materials by manufacturers, and of the articles of their trade by wholesale and retail dealers; in an extension likewise of imports, or of orders for imports, and of speculative exports. The facility of credit and the low rate of interest at that time greatly favoured such an extension of transactions; inasmuch as the sellers gave, rather than required, a turn in the price, if credit were taken by buyers who were in good repute. In many instances, within my own knowledge, an abatement in the price was made, in consideration of the buyer giving his acceptance, instead of paying money under the

usual deduction of discount*. The buyers were, by the premium which they thus obtained for making an enlarged use of their credit, both enabled and induced to sell more readily on credit to the smaller retail dealers †, as well as to the exporting merchants. An increased amount of mercantile paper was thus created.

Some part of this extension of the circulation, through the medium of mercantile credit, appears to have been in operation before the decided turn which took place in the corn markets. As soon, however, as this turn occurred, there was at once a great additional creation of mercantile paper, and an increase of applicants for discounts and loans. The country bankers had then no longer any difficulty in finding a channel for the issue of their paper; and if there had not been, on their parts, a lurking apprehension of the effects of the suppression of the one pound notes, there is every reason to believe that the circulation would have been still more extended than it was ‡.

* The deduction for prompt payment being always at a rate of not less than 5 per cent. per annum, while acceptances, reputed to be good, were, in the instances here alluded to, readily discounted at the rate of 3 per cent. per annum.

† The acceptances of small tradesmen and shopkeepers have, in the course of last year, exceeded in number and amount any former precedent; and the recent check to credit has fallen most severely on this sort of paper. At the same time, the large proportion of it, which has been found to be essentially bad, proves the extent to which the abuse of credit had been carried.

‡ In Scotland, the banks, not having the same fear of the effects of the suppression of one pound notes, as operated upon the country bankers in England, appear to have extended their advances so as to have promoted overtrading in a greater degree in that part of the island than in this.

But the circulation was already greater than was consistent with the maintenance of the exchanges, which exhibited a tendency downwards, and favoured the export of gold.

If the Bank had neglected this indication, and, under the influence of the rule which formerly governed its issues, had extended its paper in proportion to the increased demand for it, at the fixed rate of discount, there can be no doubt that such enlargement of the basis of the currency, coinciding with a tendency, from other causes, to an extension of the credit part of the circulation, would have added to the operation of those causes, in a further creation of private paper, and in a consequent increase of the overtrading, which was already prevalent*. But the Directors were early alive to the indications of excess in the circulation, and took the proper measures to counteract it.

From what transpired of their proceedings with this view, and from the exaggerated importance attached to the suppression of the small notes, a certain degree of alarm was communicated to the banking and mercantile community. But alarm, under such circumstances, is only another word

* The imports and speculative exports were already on a larger scale than any previously estimated rate of consumption in the home and foreign markets warranted at the existing prices; and any additional stimulus to speculation would, by raising prices, have added further to the excess of the supply beyond the regular demand. The recoil of markets would, therefore, have been so much the greater, if they had been artificially kept above their due level for some time longer, by an extension of the circulation.

for a signal to be prudent. Accordingly, the general circulation has been prevented from running to such excess as might, in its result, have entailed much more disastrous effects than any that we are now witnessing.

The state of distrust which now prevails, is a necessary process for the restoration of credit to a sound state, from which it had been disturbed by an undue extension.

It may be assumed as a pretty general rule, that whenever credit has intervened, as a medium of purchase, to a greater extent than usual, there is danger of reaction, in exact proportion to that extension.

In a highly enterprising commercial community, like that of this country, there is a constant tendency, in periods of confidence, to an extended and excessive use, or, more strictly speaking, to an abuse of credit, when there is any opening of a prospect of profit. And it is, I fear, a necessary consequence that we should be liable, periodically, to an inconvenient contraction of credit, as a compensation for the previously undue extension of it.

This periodical adjustment of credit to its proper dimensions, in proportion to capital, is always a painful process. And as the contemplation of a state of actual suffering conveys a more vivid impression than the mere recollection of such a state when passed, it is natural enough that the present distress should be viewed through an exaggerated medium.

But a reference to our commercial history will satisfy any unbiassed person that, during the war, and the restriction, there seldom elapsed an interval of five years, without a considerable pressure of commercial and agricultural distress ; the commercial, however, not always coinciding with the agricultural depression.

In the present instance, there has been no such great fall of prices, nor any such reaction from extensive speculations, as have been witnessed on former occasions ; nor, consequently, any such great or sudden losses as to entail the ruin of establishments that were before solvent, and trading with sufficient means. There have, accordingly, been few, if any failures, none, hitherto, within my knowledge, of establishments of that description.

The failures, thus far, have been confined to houses which either were insolvent for some time past, or having, with little or no capital, made large purchases, whether for the home trade or export, on long credits, have not, in consequence of the diminished facilities of the money market, been able to stand against a small difference of price, or the least delay in making sales, or in getting remittances to meet their engagements. A great number, too, of small traders appear to have been going on under insolvency, living upon their creditors till their means of offering securities for fresh loans were exhausted, or till an increased difficulty of negotiating such securities brought them to a stand. Indeed,

the large majority of the failures which have occurred within the last six months, prove to have been of parties who were insolvent before the commencement of the present stagnation. And it may be observed generally, that upon the periodical occurrence of stagnation of markets, and of a temporary rise in the rate of interest, many traders necessarily fail, who, having been previously insolvent, could not, under any circumstances, have struggled on much longer*.

Now in proportion to the numbers of failures of persons who were insolvent for some time before the present stagnation and recoil of markets, or whose means were too slender to meet the most trifling fall of price, is the degree in which credit has been abused, and consequently the degree in which the process to putting a stop to its further progress was salutary as well as necessary.

As the contraction of the circulation, and the state of distrust, are a necessary consequence of the pre-

* It is, at the same time, a matter of just surprise, that houses should be able to struggle on so long as several appear to have done in a state of insolvency.

One of the circumstances that mainly contributed to the facility with which credit was recently granted was, the general conviction that the revulsion of 1825-6 had effected a complete clearance of all that was unsound in business. It was naturally concluded, that all houses who had withstood the shock of that great crisis, must have conducted their business on solid grounds. This has proved not to have been the case; inasmuch as several failures have occurred of houses that are now found to have been insolvent in, or prior to, 1826: and the discovery thus made has greatly contributed to the state of distrust which has, for some time, hung over the money market.

viously undue extension of credit, and the remedial process for adjusting credit to its proper dimensions, compared with capital, so are the stagnation of markets and the fall of prices the necessary consequence of an excess of supply, compared with the demand, and the only mode of adjusting the balance by forcing a diminution of supply or an increase of consumption, or both.

The stagnation of markets, which is so much complained of, has not, in any branch of trade that I am acquainted with, had its origin in the contraction of the circulation, although it may be admitted, that where the circumstances affecting any particular article or branch of trade are of a depressing character, the depression is necessarily aggravated by the state of discredit; and that a tendency to a rise of prices, under opposite circumstances, is temporarily repressed by such a state of discredit.

I consider the stagnation of markets, and the recoil of prices, as among the concurrent causes of the state of discredit, and of contraction in the circulation; and I am quite satisfied, that these would have occurred, in any other state of the circulation. The stagnation and recoil might, indeed, have been somewhat delayed, and there might have been a greater intermediate rise; but the re-action would have been, for the reason which I have stated, so much the greater, if the country bankers had not had the fear of the small note bill before their eyes, and if the bank, instead of

taking measures for contracting the circulation, had, as on former similar occasions, enlarged it.

A part of the present stagnation is incidental to the time of the year. In the corn trade, supposing no distinct ground of speculation, the interval between March and June, being that in which the farmers thresh out, preparatory to their hay harvest, is usually marked by somewhat declining prices. And when the ports are open, there prevails, at this season, an apprehension lest any rise of price should produce an overwhelming importation. There is likewise a disposition among the dealers to clear their hands of their old stock, preparatory to buying fresh. Thus there is usually, at this time of the year, a stagnation and a tendency to a fall of prices, in all those articles (and I believe they constitute the majority), of which the prices in the spring may influence the extent of the importation during the rest of the year.

There has been, however, in some branches of trade, a stagnation and a fall of prices, beyond what is merely incidental to the season.

Several kinds of produce, and, among others, the raw materials of some of our most extensive manufactures, have fallen in price, and are, in a few striking instances, lower than they were ever known to be.

Now, in the case of every one of the articles that have thus fallen below their usual level, it will appear, that the quantity on hand, or supposed to be

forthcoming, is larger than any previous estimate ; and that buyers are discouraged from embarking freely, even at the reduced prices, by a feeling of distrust, from having been before mistaken, as to the extent of the sources of supply, and the lowest probable cost of production.

Thus cotton, of which it was supposed, at different stages of its fall, in the last ten years, that the supply could not be kept up without an advance of price, has hitherto continued to increase in quantity, at less than half of what was then said to be its lowest cost of production.

Of raw silk, the reduction of price, although not so great as of cotton, is still considerable ; and as the importations have been of late larger than ever, there has appeared no security to the buyer against a further fall. Considering the capabilities of India, for the production of this article, there is no saying to what extent the supply may not continue to increase, at still lower prices.

The increase of the supplies of coffee, from Java, Brazil, and St. Domingo, has of late been such, as greatly to outrun a rapidly increasing consumption in Europe.

Of sugar, the importation last year, after supplying an increased consumption, left a stock on hand at the close of the season, in the ports of Europe, exceeding by about 15,000 tons, that at the close of the former year. And it is computed, that the forthcoming importation into Europe will be larger

than in any former season ; the principal increase being from Cuba and Brazil.

Cochineal is now at about one-third of the price which it was at a few years ago, and so large has been the importation, that if it had not been for a demand for shipment, from hence to China, it would, in all probability, be still lower.

I have heard merchants of a former generation say, that, prior to 1793, Pepper was a favourite article of speculation, and was considered a safe investment at 12*d.*, having in the interval, from 1782 to 1792, fluctuated between that and 27*d.* The price is now 3*d.*, and the stocks on hand are large.

Lead is another of the articles, which, by a regular progression of decline, has defeated all former calculations of a minimum of cost. The fall, however, thus far is sufficiently accounted for, by the circumstance, that some of the mines of Spain, of extraordinary fertility, have of late been worked on such a scale, as to undersell us in all the foreign ports, which were formerly supplied from this country.

Other articles might be enumerated, the fall of which might be as satisfactorily accounted for ; but these are sufficient for the purpose of general illustration. And while the fall is thus in every instance accounted for, by increased quantity, relatively to any previous estimate of the rate of consumption, the further proof, if any further

were wanting, that the fall has not originated, nor been materially influenced, by any alteration in the currency, is, that the few descriptions of commodities, which are not in increased supply, compared with last year, are not lower in price. Flax, ashes, linseed, tallow, and oil, are fully as high as they were last spring.

Wheat, of which the supply has been deficient, is nearly 50 per cent. higher than it was a twelve-month ago ; while other grain, and pulse, being in adequate supply, are selling at prices much below the ordinary proportion to wheat.

There is, in short, no branch of trade that I am acquainted with, for the present condition of which I cannot account by the state of the supply, relatively to the ordinary, and in most cases greatly increased, rate of consumption, without the supposition of any alteration in the value of money, as the originating cause. And upon my taking occasion, as I have repeatedly done, to ask my mercantile friends, whether, in their branches of trade, the variations of price might not be accounted for on grounds distinct from the currency, I have never found any answer in the negative *.

* The same general remarks apply to the shipping trade. The depression of freights may be fully accounted for by the very great increase of ship-building which has taken place within the last few years. Of this increase a great proportion consists of vessels built in Canada, and New Brunswick. These are mostly of the larger class, of 300 tons and upwards, cheaply built of indifferent materials, and ill found ; altogether an inferior description of ships. But while they last, they answer the purpose of conveying goods, and while they are new.

But as the articles here enumerated, as having fallen in price, and others that might be added, embrace a large proportion of the raw materials of our principal manufactures it follows, almost necessarily, that the manufactured articles of which the raw materials form a large part of the cost, must have participated in the same cause of depression. The manufacturers who had laid in stocks of materials during the decline, but not at the lowest point, would be undersold by those who had purchased later. The great majority, therefore, would be working at reduced profits, and some at a loss.*

It must be obvious, by the same course of reasoning, that the importing and exporting merchants, who trade for their own account, as well as the dealers, both wholesale and retail, must suffer a great reduc-

that is till they have been afloat beyond two or three years, they enter into competition for employment in the East and West India trades, in which, till of late, none but ships the most expensively built in this country, and the best found, were engaged. Now, it is precisely the branches of the shipping trade in which these colonial built ships come into competition, that are most depressed; while good British built ships under 250 tons burden find full employment at freights fully as high as any that have been obtained since 1825. I can speak from the most perfect knowledge on this point, because I am actually chartering ships of this last description on terms from 10 per cent. to 15 per cent. higher than in the corresponding period of 1827 and 1828; and I do not find so many ships offering even at these advanced freights as I did in the two last years. The owners of this class of shipping, which is, I believe, the most extensive, have, therefore, every reason to be satisfied. But satisfaction is usually silent, while discontent is naturally clamorous.

* The distress which prevails in the silk manufactures, and other branches of trade, in France, is precisely analogous, and consequently admits of being explained on grounds similar to those upon which the depression here is accounted for.

tion of profit, and in many cases an actual loss, as long as the decline of prices is in progress; and the very circumstance of their being known, or even only suspected to be sufferers by this fall of prices, leads to doubts of the solidity of all but those of acknowledged property. This state of distrust being, while it lasts, a virtual contraction of the circulation, operates as the cause of a further decline: as under the opposite circumstances tending to a rise of prices the state of confidence, by extending credit, operates to increase the circulation, and, consequently, to cause a further rise.

It is this continued decline of price of the raw materials from increased quantity, that is the main cause of the apparent glut, both in the home and foreign markets, of manufactured goods. The glut, or excess of supply of these beyond any previous rate of consumption, and the unparalleled cheapness, which is calculated to increase the consumption, has been commonly considered as the exclusive effect of the vast powers of machinery.

That the improvement of the powers of machinery tends to diminish the difference between the cost of the raw material, and that of the finished work, is perfectly obvious; and to that extent, the improvement of the powers of machinery is a cause of cheapness, and, consequently, a cause of diminished profit, or of a loss to those manufacturers who still make use of the less perfect machinery.

But machinery, when applied to manufactures, does not immediately increase the quantity of the materials to be manufactured. The quantity, therefore, of the raw material, is the necessary limit to the application of machinery.

Cotton goods, being of the most extensive consumption, are always referred to, as exemplifying the effect of machinery in overstocking all markets. Now, suppose that, by a failure of the crops in America, or by a war with the United States, the importation of cotton wool to this country were to fall off at the rate of 20 per cent. per annum, in the course of the next two years ; is it not perfectly certain that by the end of that time, if not long before, everything like glut of the manufactured article would disappear, and that there would be brisk sales at advanced prices, whatever might have been, in the intermediate time, the disposition to apply to the utmost the powers of machinery ? Or if any casualty of politics, or the seasons, were to reduce the future supplies of silk to the scale of what they were only a few years ago, would there not be, as soon as the prospect of such falling off of supply were generally believed, a great rise of prices and large profits, among the importers, dealers, and manufacturers, in proportion to the stock they held ?

This mode of explanation of the fall of prices from increased supply, and of the consequent distress among the producers, may be considered what has been commonly called the doctrine of *over-production*.

This term, however, of over-production, whatever may be thought of the fact of increased supply, as being adequate to account for the existing phenomena of low prices and commercial distress, appears to me to be objectionable. It conveys the idea of *too much*, or *more than ought* to be produced ; and, therefore, of its being desirable that less should be produced.

Now with reference to whom is the production greater than it ought to be ? Not certainly with reference to the consumer.

Whence does the increase of production arise ? In the great majority of cases, the increase of production may, unless where it is merely the effect of difference of seasons, be referred to some one or other of the following causes :—extended and improved cultivation ; a resort to fresh soils ; new sources of supply ; cheaper substitutes for more expensive materials ; a more skilful application of manual labour ; and, above all, the application and progressive improvement of machinery. But an increase of production, from any one or more of these causes, must entail a diminution of profit, if not a positive loss, to the producers, upon that part of the produce which has been previously raised.

Over production, then, exists only with reference to the producers. Looking to the community at large, it is absurd to use the term in any sense which conveys the meaning of evil. When prices have fallen to the point which extends the con-

sumption in proportion to the increased supply, profits are restored to their ordinary level; and the ultimate results are, extended means of enjoyment to the community, increased employment to the working classes, and augmented sources of revenue to the state*.

While, however, the main cause of the stagnation of trade may clearly be traced to an increase of supply of raw produce (food excepted) beyond the previous rate of consumption, there are circumstances connected with our foreign trade, which have contributed to diminish the demand, and thus to add to the depression of manufactures, arising from the increased supply of the raw material. The circumstances to which I allude are,—

The war in the East of Europe, which excludes us from the accustomed channels of our trade with Turkey and the Black Sea.

The violent character of the government of Portugal, and the civil war in South America, have

* In the case of a falling off in the ordinary rate of supply of any important articles, entailing a great rise of prices, although those who are holders of stocks may experience an increase of profit, the public sustain a state of privation; and if the causes of diminution be permanent, there ensues a reduced extent of employment, the breaking up of manufacturing establishments, and a consequent destruction of capital and a diminution of revenue.

Thus the distress in the silk-trade was considerable after the great rise of prices, from the extraordinary difficulties and expenses of importation in 1808 and 1811, and the consequent smallness of the supply. If those obstacles had been permanent, it must be obvious that that branch of trade would have been destroyed. But the instances have, fortunately, been rare, of any permanent diminution of supply of the staple article of our manufactures.

tended to endanger, and, consequently, to contract, our commercial enterprises with those parts.

The great fluctuations of the exchange in Brazil, produced by the financial difficulties of the government, have entailed heavy losses upon the shippers of goods thither, and are calculated for a time to diminish the scale of further shipments.

The American anti-commercial tariff had the effect, in the first instance, of inducing our manufacturers to glut the markets of the United States in anticipation of the measure, and subsequently greatly reducing our exports thither.

Although no one of these singly would be of much importance in the general scale of our trade; yet, collectively, they cannot but be felt as a considerable aggravation of the present commercial stagnation.

But there is no reason to apprehend that the consumption of those parts of the world will be materially diminished, or will be otherwise than progressive; and indeed the eventual demand, arising from them, (excepting the United States, if their government persists in its present self-tormenting commercial policy,) will, in all probability, be the greater for the intermediate reduction of their stocks.

In a period like the present, distinguished by the prevalence of excessive caution or under-trading, there will inevitably be a falling off in the revenue while such depression lasts.

As in times of speculation or over-trading, duties both of customs and excise are paid on an increased quantity of goods taken out of bond, whether for purposes of home trade or export, and swell the stocks of manufacturers, and of wholesale and retail dealers, *in anticipation* of increased demand; so in periods of stagnation, though the actual consumption may be, and I believe is, in point of fact, going on without diminution, or more probably increasing in consequence of cheapness, that consumption is supplied from the stocks which had been taken out of bond in the period immediately preceding, and which had consequently added so much to the payments into the Exchequer in that period.

I should accordingly be prepared to expect a reduced rate of revenue as long as the stagnation lasts. But I am equally prepared to expect that, at no distant period, it will recover to at least the amount from which it has recently declined. For I feel strongly persuaded that the sources from which the national revenue flows are unimpaired: and that our progress in the career of commercial and manufacturing prosperity will be resumed with fresh vigour, and upon more solid grounds, after the severe but sanatory process which our tendency to too sanguine an anticipation, inseparable, perhaps, from a spirit of commercial enterprise, obliges us periodically to undergo.

14th May, 1829.

APPENDIX.

No. 1.—TABLE of the Monthly average Price of WHEAT, per Winchester Quarter, in England and Wales, from 1793 to 1828 inclusive.

Year.	Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
1793	47 0	46 10	47 9	49 9	51 5	51 2	51 1	50 6	48 9	47 0	47 2	48 9
1794	50 1	50 7	50 10	51 2	51 3	51 6	51 11	52 6	51 6	51 0	52 10	55 0
1795	56 8	58 3	59 11	62 1	64 10	70 1	84 5	108 1	79 0	76 9	83 9	86 3
1796	92 0	93 6	100 0	86 8	75 7	80 2	81 0	75 11	64 5	61 3	59 9	57 3
1797	55 0	52 6	49 8	49 9	49 8	50 0	50 5	52 0	58 10	60 2	56 4	52 9
1798	51 2	49 10	50 2	51 7	51 10	51 0	50 9	51 3	50 0	48 7	47 11	48 5
1799	49 5	50 0	50 3	53 5	60 10	64 0	66 9	73 0	75 5	83 6	89 9	93 10
1800	94 8	101 11	107 10	111 11	120 2	125 0	131 10	103 2	105 10	106 6	120 2	132 6
1801	138 1	145 9	154 4	151 9	130 4	128 11	135 2	121 9	90 4	77 5	71 1	75 5
1802	76 5	74 5	73 6	69 9	65 3	67 0	67 4	69 0	67 3	61 10	59 5	57 10
1803	56 8	56 7	56 4	56 7	57 11	61 6	58 6	55 11	55 7	51 2	54 8	53 6
1804	51 8	50 2	50 0	51 1	51 8	52 0	53 4	59 9	65 2	68 1	79 8	85 7
1805	86 4	90 1	92 8	91 5	88 1	89 10	90 6	98 1	89 2	81 10	78 3	76 0
1806	75 8	74 6	74 5	77 0	84 4	84 0	82 2	81 9	80 8	79 2	77 4	76 11
1807	76 10	76 0	76 8	76 8	75 7	74 3	73 5	74 9	71 8	68 6	66 0	67 10
1808	69 2	69 3	69 5	71 0	73 5	79 3	81 4	81 6	84 0	86 7	92 0	90 8
1809	90 6	92 9	95 0	93 3	91 8	88 10	86 10	93 8	102 7	105 6	101 10	102 6
1810	101 11	100 4	102 5	105 2	109 4	115 6	113 9	116 0	110 5	101 10	100 2	97 1
1811	95 6	95 0	92 8	89 0	88 1	87 2	87 2	91 2	96 11	100 0	105 5	106 8
1812	105 9	105 2	112 5	125 5	132 6	133 10	144 6	152 3	136 6	113 7	121 6	121 0
1813	119 10	120 0	121 9	120 10	117 10	117 10	116 3	112 6	100 1	93 11	86 2	74 11
1814	78 2	77 4	77 3	75 8	69 7	69 10	68 4	73 8	78 6	75 4	73 5	70 4
1815	62 1	63 2	67 3	70 1	70 4	69 2	67 10	68 10	63 7	57 9	56 6	55 7
1816	52 10	55 6	55 4	60 2	73 7	74 11	74 0	82 1	85 11	90 10	98 10	103 7
1817	104 1	101 10	102 4	103 3	105 4	112 8	102 4	86 5	78 8	77 5	80 4	84 0
1818	84 10	84 10	84 8	89 8	87 5	83 7	86 6	81 3	81 9	81 10	82 5	80 8
1819	79 3	80 0	79 1	75 10	72 3	68 10	74 3	75 0	71 7	66 10	67 6	66 3
1820	64 0	64 10	69 0	69 4	70 0	69 10	70 0	72 5	67 10	58 9	57 6	54 6
1821	54 0	53 4	53 10	53 2	51 10	51 8	51 0	55 0	62 3	60 1	54 10	49 0
1822	48 8	48 6	46 0	44 7	46 4	43 10	43 1	41 10	39 8	39 0	38 10	38 11
1823	40 4	40 8	47 10	50 8	59 4	61 4	59 6	58 10	53 10	47 4	50 3	52 0
1824	59 8	65 10	65 6	64 10	63 1	62 9	60 2	57 10	55 4	59 2	64 8	64 3
1825	66 5	66 0	67 6	67 3	68 9	68 6	68 0	67 9	66 7	64 6	65 2	63 0
1826	60 3	59 3	55 7	59 8	58 9	57 0	56 7	56 9	55 6	54 5	55 3	55 8
1827	53 6	53 6	55 8	56 2	57 0	58 11	59 6	57 11	55 0	51 1	50 11	50 2
1828	50 0	50 6	51 9	51 8	55 3	54 9	54 0	59 2	58 1	69 7	73 0	71 8

No. 2.

The following are extracted from the "Farmer's Magazine," vol. v. and vi.

"State of London Markets, 23rd April, 1804.

	Wheat	. .	30s.	45s.	52s. per qr.
Essex and Kent	do.	. .	56s.	57s.	
Foreign red	do.	. .	35s.	48s.	
White Dantzic	do.	. .	50s.	54s.	58s."

"Letter from London, 30th October, 1804.

"From the general bad quality of the new wheat presented at Mark-lane, I am sorry to say that the injury from blight appears to have been more extensive than was supposed, when I wrote you last. The best samples are inferior to last year's; and the great bulk of what has been yet produced, will not yield more than two-thirds of the fine flour which the average of last year produced. In consequence of this, the price of wheat has very considerably advanced, notwithstanding the considerable supply of foreign wheat, which has been all quickly bought up."

"State of London Markets, 29th October, 1804.

New Wheat	. .	48s.	63s.	72s. to 78s.	to 84s.
Old do.	. .	52s.	76s.	fine 88s.,	fine white 90s. to 92s.
Foreign red do.	. .	52s.	78s.	82s.	
White Dantzic do.		75s.	85s.,	fine 90."	

"From the Norfolk Quarterly Report, January 1805.

"I may add one strong corroborating proof of a deficient crop and early thrashing—the quantity of labourers now constantly applying for employment; who, as they must have work provided for them or be sent to the parish, are sent to work on the highways; though their labour, at this

season, tends very little to their amendment. Notwithstanding, therefore, the high prices of grain, I do not consider this as a very profitable year to the farmers in general. They have, at the highest estimate, not more than two-thirds of a crop; and that preyed upon by property and other taxes—by an immensely burdensome poor's-rate, increased beyond example—by so many labourers being paid out of it, for doing comparatively nothing—and by an allowance of eight-pence per head to every individual of a family consisting of more than four persons, and which allowance must be increased in proportion to the increase in the price of wheat. These united claims upon their profits will, I fear, leave no considerable general balance in their favour at the foot of their accounts."

"State of London Markets, January 28, 1805—(Letter from London.)

New Wheat . . .	65s.	100s.	per qr.
Old do	79s.	105s.	116s.
Foreign red do. .	80s.	95s.	105s.
White Dantzic do.	100s.	120s.	126s."

"Letter from London, May 6, 1805.

"Since my last we have, contrary to expectation, had several large arrivals of foreign grain from Holland and the northern ports; and the supplies from the east-coast of both wheat and flour, (of which a large quantity has come from Scotland), and of flour from the inland counties, have rather increased, notwithstanding the discouraging accounts from this market of the already heavy stock of flour on hand, most of which must be caught by the warm weather and rendered unsaleable. You will not, therefore, be surprised to find that prices have experienced a considerable depression. It is impossible to judge, from the present state of markets, what prices may be before a new crop can be come

at; but it is allowed that the present appearance of the growing crop is favourable, and there seems no reason to doubt our supplies from the Baltic being very large, while the stock at present on hand is great. On the other hand, unless we are deceived, (which cannot be the case) as to the last year's crop being, in many parts, *very* defective, we must have a strong demand on this market for wheat before harvest.

" New Wheat .	56s.	72s.	
Fine Essex do. .	88s.	92s.	96s.
Foreign red do. .	50s.	60s.	78s.
White Dantzic do.	70s.	85s., fine	88s. 92s. 96s."

" Letter from London. July 29, 1805.

"The extra demand on this market for wheat, which I some time ago concluded must be made before the new crop could be come at, (from the deficiency of last crop in some of the principal wheat counties,) has taken place some weeks back, and still continues. Very large sales have been made of the good Dantzic wheats, at a material advance; fine samples of British wheat have advanced in a greater proportion, being much wanted to mix with foreign, and the quantity of fine wheat at market would have been inconsiderable, but for the supply from the south of Scotland, which has continued great beyond expectation."

No. 3.

*Description of the years 1693 to 1699, extracted from
“ A Syllabus of the general States of Health, Air, and
Seasons, by THOS. SHORT, M.D.”*

- 1693—All unseasonable ; winter rainy, frosty, and snowy
cold spring, constant northerly rains ; summer and
harvest, excessive hot and dry. Winter warm and
dry.
- 1694—A severe frost and much snow ; a burning hot,
droughty summer ; a rainy winter.
- 1695—All August to September 1st, cold and rainy. Sep-
tember and October were very cloudy, and excessive
cold. SHORT on Air, &c. vol. i. p. 402.
- 1696—January like summer ; March very cold and cloudy.
From Easter to June, all heavy rains, great floods,
and cold ; then ten fair days ; but the rain returned,
and continued to September ; then favourable to
the end. All corn and hay rotted. No snow in
winter.
- 1697—A prodigious tempest of hail ; no sun seen before
January 17 ; from thence to February 11, a hard
frost. A cold north wind all March, and to April
11. July 16 and 17, frost and mildew ; calm to
August 10. By constant daily rains, growing corn
sprouted in the ear ; then came good harvest
weather. November 25, ice three inches thick.
December 6, snow twelve inches deep ; the rest like
August.
- 1698—January had much snow and deep drifts. On the
26th, a frost, the ice eight inches thick on the sea-

coast of Suffolk on the 29th day. March 24, 26, April 11, 25, 27, June 3, and August 6, thunder and lightning. February, a cold cloudy month; wind east; fourteen inches deep snow on the 26th, ice four inches thick. April 22, a deep snow; 8th, very cold. May 3d, a general deep snow, and to June 18, very rainy. August, frosty. All corn was sprouted in harvest. From October 1, to January 1, (even in Suffolk where this Journal was taken,) the coldest year remembered then or since. A great dearth, bad food, a great famine.

1699—All good; the first good year since 90. The last nine being successively and excessively cold; yet it was a drougthy year. Grass and hay scarce. The first plentiful year since 94, (even here in Suffolk,) which had a severe winter; spring first warm, then cold; that summer and harvest were very good. And in 99, wheat fell from 10s. and 11s., to 2s. a bushel.

No. 4.—PRICES of WHEAT.—An Account of the Prices of Wheat per Quarter, as exhibited in the Register kept in the Audit Books of Eton College, from the year 1646 to Michaelmas, 1826, reducing the Quarter of nine Bushels, in which it was kept from 1646 to Michaelmas, 1793, to the Winchester Quarter of eight Bushels; and continuing it, according to the same measure, annually to Michaelmas, 1826.

Years.	Prices per Quarter Winchester Measure.			Years.	Prices per Quarter Winchester Measure.		
	Price at Lady-day.	Price at Michaelmas	Mean Price (for the year.)		Price at Lady-day.	Price at Michaelmas	Mean Price (for the year.)
1646	<i>s. d.</i> 37 11	<i>s. d.</i> 60 5 $\frac{1}{4}$	<i>s. d.</i> 49 2	1675	<i>s. d.</i> 56 10 $\frac{3}{4}$	<i>s. d.</i> 47 5	<i>s. d.</i> 52 1 $\frac{1}{4}$
1647	59 3	71 8 $\frac{1}{2}$	65 5 $\frac{3}{4}$	1676	35 6 $\frac{3}{4}$	32 0	33 9 $\frac{1}{2}$
1648	71 1 $\frac{1}{4}$	80 0	75 6 $\frac{1}{4}$	1677	30 2 $\frac{3}{4}$	44 5 $\frac{1}{4}$	37 4
1649	*	*	71 1 $\frac{1}{4}$	1678	48 0	56 10 $\frac{3}{4}$	52 5 $\frac{1}{4}$
1650	68 9	67 6 $\frac{3}{4}$	68 1 $\frac{3}{4}$	1679	53 4	42 8	48 0
1651	65 2 $\frac{1}{4}$	56 10 $\frac{3}{4}$	61 0 $\frac{1}{2}$	1680	37 4	42 8	40 0
1652	47 5	40 3 $\frac{1}{2}$	48 10 $\frac{1}{4}$	1681	37 11	45 0 $\frac{1}{2}$	41 5 $\frac{3}{4}$
1653	32 7	30 2 $\frac{3}{4}$	31 4 $\frac{3}{4}$	1682	35 6 $\frac{3}{4}$	42 8	39 1 $\frac{1}{4}$
1654	24 10 $\frac{3}{4}$	21 4	22 1 $\frac{1}{4}$	1683	39 1 $\frac{1}{4}$	32 0	35 6 $\frac{1}{2}$
1655	21 11	37 4	29 7 $\frac{1}{2}$	1684	35 6 $\frac{3}{4}$	42 8	39 1 $\frac{1}{4}$
1656	39 1 $\frac{1}{4}$	37 4	38 2 $\frac{1}{2}$	1685	47 5	35 6 $\frac{3}{4}$	41 5 $\frac{3}{4}$
1657	36 9	46 2 $\frac{3}{4}$	41 5 $\frac{3}{4}$	1686	28 5 $\frac{1}{4}$	32 0	34 2 $\frac{1}{2}$
1658	44 5 $\frac{1}{4}$	71 1 $\frac{1}{4}$	57 9 $\frac{1}{4}$	1687	34 0 $\frac{1}{4}$	29 0 $\frac{1}{2}$	31 8 $\frac{1}{2}$
1659	59 3	58 1	58 8	1688	24 10 $\frac{3}{4}$	21 4	23 1 $\frac{1}{4}$
1660	50 11 $\frac{1}{2}$	51 6 $\frac{3}{4}$	51 3	1689	23 1 $\frac{1}{3}$	30 2 $\frac{3}{4}$	26 8
1661	53 4	71 1 $\frac{1}{4}$	62 2 $\frac{1}{2}$	1690	32 7	29 0 $\frac{1}{2}$	30 9 $\frac{1}{4}$
1662	78 2 $\frac{3}{4}$	53 4	65 9 $\frac{1}{4}$	1691	29 0 $\frac{1}{2}$	30 9 $\frac{1}{4}$	29 11
1663	49 3 $\frac{1}{4}$	51 6 $\frac{3}{4}$	50 8	1692	42 8	40 10 $\frac{3}{4}$	41 9 $\frac{1}{4}$
1664	49 9 $\frac{1}{4}$	46 2 $\frac{3}{4}$	48 0	1693	52 4	66 11 $\frac{1}{2}$	60 1 $\frac{3}{4}$
1665	45 0 $\frac{1}{2}$	42 8	43 10 $\frac{1}{4}$	1694	71 1 $\frac{1}{4}$	42 8	56 10 $\frac{1}{4}$
1666	35 6 $\frac{3}{4}$	28 5 $\frac{1}{4}$	32 0	1695	33 2 $\frac{1}{4}$	61 0 $\frac{1}{2}$	47 1 $\frac{1}{3}$
1667	28 5 $\frac{1}{4}$	35 6 $\frac{3}{4}$	32 0	1696	64 0	48 0	56 0
1668	30 9 $\frac{3}{4}$	40 3 $\frac{1}{2}$	35 6 $\frac{1}{2}$	1697	40 9 $\frac{1}{4}$	56 10 $\frac{3}{4}$	53 4
1669	42 8	37 4	40 0	1698	62 2 $\frac{3}{4}$	59 3	60 8 $\frac{3}{4}$
1670	37 4	36 9	37 0 $\frac{1}{2}$	1699	62 2 $\frac{3}{4}$	49 9 $\frac{1}{4}$	56 0
1671	35 6 $\frac{3}{4}$	39 1 $\frac{1}{4}$	37 4	1700	37 4	33 9 $\frac{1}{4}$	35 6 $\frac{1}{2}$
1672	36 9	37 4	37 0 $\frac{1}{2}$	1701	33 9 $\frac{1}{4}$	29 7 $\frac{1}{2}$	31 8 $\frac{1}{4}$
1673	35 6 $\frac{3}{4}$	47 5	41 5 $\frac{3}{4}$	1702	26 8	25 5 $\frac{3}{4}$	26 0 $\frac{3}{4}$
1674	64 0	58 1	61 0 $\frac{1}{2}$	1703	26 8	37 4	32 0

* Only one Price given : the period of the year uncertain.

Years.	Prices per Quarter Winchester Measure.			Years.	Prices per Quarter Winchester Measure.		
	Price at Lady-day.	Price at Michaelmas	Mean Price for the year.		Price at Lady-day.	Price at Michaelmas	Mean Price for the year.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>		<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
1704	51 6 $\frac{3}{4}$	30 9 $\frac{3}{4}$	41 2 $\frac{1}{4}$	1739	31 5	34 11 $\frac{1}{2}$	33 2 $\frac{1}{4}$
1705	28 5 $\frac{1}{4}$	24 10 $\frac{3}{4}$	26 8	1740	41 9 $\frac{1}{4}$	56 0	48 10 $\frac{1}{2}$
1706	23 1 $\frac{1}{4}$	23 1 $\frac{1}{4}$	23 1 $\frac{1}{4}$	1741	51 6 $\frac{3}{4}$	32 0	41 9 $\frac{1}{4}$
1707	23 1 $\frac{1}{4}$	27 3	25 2	1742	30 2 $\frac{3}{4}$	26 8	28 5 $\frac{1}{4}$
1708	27 3	46 2 $\frac{3}{4}$	36 8 $\frac{3}{4}$	1743	23 6 $\frac{3}{4}$	20 9	22 1 $\frac{3}{4}$
1709	57 5 $\frac{3}{4}$	81 9 $\frac{1}{4}$	69 7 $\frac{1}{2}$	1744	22 2 $\frac{3}{4}$	21 11	22 0 $\frac{3}{4}$
1710	81 9 $\frac{1}{4}$	56 10 $\frac{3}{4}$	69 4	1745	22 6 $\frac{1}{4}$	26 1	24 3 $\frac{1}{2}$
1711	44 5 $\frac{1}{4}$	51 6 $\frac{3}{4}$	48 0	1746	37 4	32 0	34 8
1712	48 7	33 9 $\frac{1}{4}$	41 2	1747	32 10 $\frac{3}{4}$	29 0 $\frac{1}{2}$	30 11 $\frac{1}{2}$
1713	33 9 $\frac{1}{4}$	56 10 $\frac{3}{4}$	45 4	1748	32 0	33 9 $\frac{1}{4}$	32 10 $\frac{1}{2}$
1714	55 1 $\frac{1}{4}$	34 4 $\frac{1}{2}$	44 8 $\frac{3}{4}$	1749	32 0	33 9 $\frac{1}{4}$	32 10 $\frac{1}{2}$
1715	32 0	44 5 $\frac{1}{4}$	38 2 $\frac{1}{2}$	1750	27 6 $\frac{3}{4}$	30 2 $\frac{3}{4}$	28 10 $\frac{3}{4}$
1716	42 8	42 8	42 8	1751	29 4	39 1 $\frac{1}{4}$	34 2 $\frac{1}{2}$
1717	40 0	40 10 $\frac{3}{4}$	40 5 $\frac{1}{4}$	1752	44 1 $\frac{3}{4}$	37 4	40 8 $\frac{3}{4}$
1718	37 4	32 0	34 8	1753	40 3 $\frac{1}{2}$	39 1 $\frac{1}{4}$	39 8 $\frac{1}{4}$
1719	28 10 $\frac{3}{4}$	33 2	31 0 $\frac{1}{4}$	1754	33 2 $\frac{1}{4}$	28 5 $\frac{1}{4}$	30 9 $\frac{3}{4}$
1720	32 0	33 9 $\frac{1}{4}$	32 10 $\frac{1}{2}$	1755	27 10 $\frac{1}{4}$	32 0	29 11
1721	35 6 $\frac{3}{4}$	31 1 $\frac{1}{4}$	33 4	1756	32 5 $\frac{1}{4}$	48 0	40 2 $\frac{1}{2}$
1722	32 0	32 0	32 0	1757	60 5 $\frac{1}{4}$	46 2 $\frac{3}{4}$	53 4
1723	29 7 $\frac{1}{2}$	32 0	30 9 $\frac{3}{4}$	1758	49 9 $\frac{1}{4}$	39 1 $\frac{1}{4}$	44 5 $\frac{1}{4}$
1724	32 0	33 9 $\frac{1}{4}$	32 10 $\frac{1}{2}$	1759	37 4	33 2 $\frac{1}{4}$	35 3
1725	37 4	48 10 $\frac{3}{4}$	43 1 $\frac{1}{4}$	1760	31 1 $\frac{1}{4}$	33 9 $\frac{1}{4}$	32 5 $\frac{1}{4}$
1726	46 2 $\frac{3}{4}$	35 6 $\frac{3}{4}$	40 10 $\frac{3}{4}$	1761	26 8	27 1 $\frac{1}{4}$	26 10 $\frac{1}{2}$
1727	32 10 $\frac{3}{4}$	41 9 $\frac{1}{4}$	37 4	1762	35 6 $\frac{3}{4}$	33 9 $\frac{1}{4}$	34 8
1728	49 2 $\frac{1}{4}$	47 5	48 3 $\frac{1}{2}$	1763	33 2 $\frac{1}{4}$	39 1 $\frac{1}{4}$	36 1 $\frac{3}{4}$
1729	45 4	39 1 $\frac{3}{4}$	42 2 $\frac{1}{2}$	1764	38 8	44 5 $\frac{1}{4}$	41 6 $\frac{1}{2}$
1730	32 10 $\frac{3}{4}$	32 0	32 5 $\frac{1}{4}$	1765	49 9 $\frac{1}{4}$	46 2 $\frac{3}{4}$	48 0
1731	30 2 $\frac{3}{4}$	28 5 $\frac{1}{4}$	29 4	1766	40 0	46 2 $\frac{3}{4}$	43 1 $\frac{1}{4}$
1732	24 3 $\frac{1}{2}$	23 1 $\frac{1}{4}$	23 8 $\frac{1}{4}$	1767	56 0	58 8	57 4
1733	25 5 $\frac{3}{4}$	24 10 $\frac{3}{4}$	25 2 $\frac{1}{4}$	1768	58 2 $\frac{3}{4}$	49 4	53 9 $\frac{1}{4}$
1734	29 7 $\frac{1}{2}$	37 4	33 5 $\frac{3}{4}$	1769	41 9 $\frac{1}{4}$	39 6 $\frac{3}{4}$	40 8
1735	35 6 $\frac{3}{4}$	40 10 $\frac{3}{4}$	38 2 $\frac{3}{4}$	1770	38 2 $\frac{3}{4}$	48 10 $\frac{3}{4}$	43 6 $\frac{3}{4}$
1736	34 4 $\frac{1}{2}$	37 4	35 10 $\frac{1}{4}$	1771	49 9 $\frac{1}{4}$	51 6 $\frac{3}{4}$	50 8
1737	34 2 $\frac{3}{4}$	32 10 $\frac{3}{4}$	33 6 $\frac{3}{4}$	1772	56 10 $\frac{3}{4}$	60 5 $\frac{1}{4}$	58 8
1738	32 10 $\frac{3}{4}$	30 2 $\frac{3}{4}$	31 6 $\frac{3}{4}$	1773	59 6 $\frac{3}{4}$	58 8	59 1 $\frac{1}{4}$

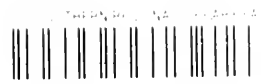
Years.	Prices per Quarter Winchester Measure.			Years.	Prices per Quarter Winchester Measure.		
	Price at Lady-day.	Price at Michaelmas	Mean Price for the year.		Price at Lady-day.	Price at Michaelmas	Mean Price for the year
1774	s. d. 53 4	s. d. 56 10 $\frac{3}{4}$	s. d. 55 1	1801	s. d. 177 0	s. d. 80 0	s. d. 128 6
1775	59 1 $\frac{1}{4}$	43 6 $\frac{3}{4}$	51 4	1802	68 0	66 6	67 3
1776	42 8	42 8	42 8	1803	60 0	60 0	60 0
1777	46 2 $\frac{3}{4}$	51 6 $\frac{3}{4}$	48 10 $\frac{3}{4}$	1804	59 0	80 0	69 6
1778	49 9 $\frac{1}{4}$	38 2 $\frac{3}{4}$	44 0	1805	88 0	88 0	88 0
1779	36 10 $\frac{3}{4}$	35 6 $\frac{3}{4}$	36 2 $\frac{3}{4}$	1806	80 0	86 0	88 0
1780	38 2 $\frac{3}{4}$	48 0	43 1 $\frac{1}{4}$	1807	88 0	68 0	78 0
1781	56 10 $\frac{3}{4}$	48 0	52 5 $\frac{1}{4}$	1808	74 6	96 0	85 3
1782	49 9 $\frac{1}{2}$	57 9 $\frac{1}{2}$	53 9 $\frac{1}{4}$	1809	100 0	112 0	106 0
1783	58 8	49 9 $\frac{1}{4}$	54 2 $\frac{1}{2}$	1810	120 0	104 0	112 0
1784	55 10 $\frac{3}{4}$	50 8	53 9 $\frac{1}{4}$	1811	104 0	112 0	108 0
1785	49 9 $\frac{1}{4}$	46 2 $\frac{3}{4}$	48 0	1812	136 0	120 0	118 0
1786	41 9 $\frac{1}{4}$	42 8	42 2 $\frac{1}{2}$	1813	136 0	104 0	120 0
1787	41 9 $\frac{1}{4}$	49 9 $\frac{1}{4}$	45 9 $\frac{1}{4}$	1814	86 0	84 0	85 0
1788	50 8	48 0	49 4	1815	89 0	72 0	76 0
1789	55 5	56 10 $\frac{3}{4}$	56 1 $\frac{3}{4}$	1816	72 0	92 0	82 0
1790	55 8	53 9 $\frac{1}{4}$	56 2 $\frac{1}{2}$	1817	132 0	100 0	116 0
1791	54 2 $\frac{3}{4}$	44 5 $\frac{1}{4}$	49 4	1818	104 0	92 0	98 0
1792	40 10 $\frac{3}{4}$	53 4	47 1 $\frac{1}{4}$	1819	80 0	76 0	78 0
1793	54 1	45 0 $\frac{1}{2}$	49 6 $\frac{3}{4}$	1820	80 0	72 0	76 0
1794	52 0	56 0	54 0	1821	66 0	76 0	71 0
1795	71 0	92 0	81 6	1822	56 0	50 0	53 0
1796	96 0	64 6	80 3	1823	60 0	54 0	57 0
1797	70 0	54 0	62 0	1824	68 0	76 6	72 0
1798	54 0	54 0	54 0	1825	84 0	81 0	84 0
1799	58 8	92 8	75 8	1826	80 0	66 0	73 0
1800	126 0	128 0	127 0				

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